

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
SOUTHERN DIVISION

QJR, LLC

PLAINTIFF

VS.

CIVIL NO. 1:24CV00383

SECURIX, LLC, ET AL

DEFENDANT

MOTION HEARING

BEFORE THE HONORABLE TAYLOR B. MCNEEL  
UNITED STATES DISTRICT JUDGE

JANUARY, 27, 2025  
GULFPORT, MISSISSIPPI

APPEARANCES:

FOR THE PLAINTIFF:

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1           **THE COURT:** Madam Clerk, will you please call the  
2 case.

3           **DEPUTY CLERK:** QJR, LLC versus Securix, LLC and  
4 Jonathan Miller civil case number 1:24cv383 set for motion  
5 hearing.

6           **THE COURT:** Would counsel please make their  
7 appearances for the record, beginning with counsel for the  
8 plaintiff.

9           **MS. WRIGLEY:** Yes, Your Honor. Jaklyn Wrigley on  
10 behalf of QJR, LLC.

11           **MR. JORDAN:** Your Honor, Al Jordan on behalf of  
12 Mr. Miller, as well as Securix, LLC.

13           **THE COURT:** Thank you. This matter is set for a  
14 hearing on plaintiff's motion to remand. I have reviewed the  
15 briefs in this case. Of course, I have reviewed a lot of the  
16 pleadings in this case leading up to the status conference, I  
17 have also reviewed the response in opposition since the status  
18 conference, I have reviewed the reply brief that was filed very  
19 recently, so I am very up to speed on this case.

20           Obviously, there's two primary issues in terms of the  
21 request to remand. Number 1, is the amount in controversy met,  
22 can the defendants meet their burden to demonstrate the amount  
23 in controversy is met; and secondarily, is there a waiver. I  
24 do view the amount in controversy is the bigger issue, the  
25 primary issue. That was the lead argument put forward by the

1 plaintiff, and I do view that as the bigger issue, the amount  
2 in controversy.

3 Now, how I view the amount in controversy is this: I  
4 believe, obviously, the law requires that jurisdiction be  
5 determined at the time of removal. And so the amount in  
6 controversy had to be established at the time of removal to be  
7 in excess of \$75,000. The law says I am to include certain  
8 things in that calculation on how to get to \$75,000, if there  
9 is \$75,000 at stake, or if there is in excess of \$75,000 at  
10 stake.

11 The parties have identified in their briefing the value of  
12 the object of the litigation is one of the things for me to  
13 consider. Of course, the parties are litigating over the  
14 dissolution of Securix Mississippi, LLC.

15 Now, I do view the value of the object of the litigation  
16 with regard to the dissolution as actually the value of the  
17 50 percent share of the various parties, all right? So that's  
18 the starting point of one of the things that I am to determine  
19 for valuation purposes. What is the valuation of Securix,  
20 Mississippi, LLC, and then you reduce that by half because the  
21 defendants, essentially, have 50 percent ownership and the  
22 plaintiff, essentially, has 50 percent ownership. That's what  
23 the case law tells me I am to do in these dissolution types of  
24 situations, I look at the ownership share, okay.

25 So that's my understanding of the case law. I first

1 understand the value of the company, and then I look at the  
2 50 percent ownership share of that company because that's how  
3 much is at stake for the plaintiff and for the defendants.  
4 Then I add on top of that valuation the request for monetary  
5 damages. And those include compensatory damages, those include  
6 punitive damages, and those include attorneys' fees and costs.  
7 And I need to understand how you would get to attorneys' fees  
8 and costs. I do understand the allegation of defamation  
9 related compensatory and punitive damages. I understand that.  
10 And then there is this kind of allegation that's, I think, in  
11 paragraph 3 of the request for relief that seems to be like a  
12 breach of contract type of claim, potentially, for relief as  
13 well, and I need to have a little bit more of an understanding  
14 of that.

15 So I understand, I think, generally the parties'  
16 arguments. I believe I have an understanding of the law as  
17 best as I can get to it, but I do want the parties to be able  
18 to present their arguments, as I wanted to kind of set forth  
19 some preliminary things of where I think we should be headed.

20 I do want to focus primarily on amount in controversy as  
21 opposed to waiver. I am not going to prohibit you all from  
22 arguing about waiver, but I do think the primary issue is  
23 amount in controversy.

24 So it is the plaintiff's motion, but it's also the  
25 defense's burden. Even still, it is the plaintiff's motion.

1 So Ms. Wrigley, I am going to give you the opportunity to go  
2 first. You can present any legal argument that you would like  
3 to present at this time, and any additional evidence that you  
4 want to put forward at this time. And then you will be allowed  
5 to respond, of course. And you can present any argument that  
6 you would like to present, Mr. Jordan, at that time and any  
7 evidence that you want to present, whether it's witness  
8 testimony or otherwise. And then Ms. Wrigley, you can argue in  
9 rebuttal. Ms. Wrigley, are you ready to proceed?

10 **MS. WRIGLEY:** Yes, Your Honor.

11 If it may please the Court. You really sort of laid it  
12 out for us. I am not sure if Mr. Jordan and I even are  
13 necessary. I think Your Honor has done a great job bringing  
14 himself up to speed, which I, as a litigator in your courtroom,  
15 I do appreciate.

16 This case is one where the Court issues are the plaintiff  
17 seeking equitable relief, which is why we filed in chancery  
18 court. When we finalized the complaint, we added in almost as  
19 an 11th hour addition the kind of quasi defamation claim, the  
20 quasi breach of the operating agreement claim. Those were sort  
21 of ancillary to the equitable relief that we really are sort of  
22 focused on in dissolving the LLC, which is why I inadvertently  
23 misrepresented in the motion for remand that we weren't seeking  
24 any monetary damages at all. I think that was probably a  
25 by-product of like Christmas Eve morning and holiday

1 distractions and all of that.

2           **THE COURT:** And I recognize that in the notice of  
3 removal the defendants didn't point out defamation or punitive  
4 damages or compensatory damages. They also focused on, as the  
5 defendant said, in their notice of removal, this case involves  
6 a dispute between the parties over contracts relating to the  
7 management of a jointly owned limited liability company and  
8 assets belonging to the company. The value of the disputed  
9 assets is estimated to be in excess of \$1 million. That was  
10 the primary basis for amount in controversy in the defendant's  
11 notice of removal. So I do understand both parties were kind  
12 of focusing at the initial onset as to the valuation of the  
13 company or the valuation of the assets, and I get that. Of  
14 course, my job is I have to look at the entire complaint and  
15 all of the monetary damages that are included in addition to.

16           **MS. WRIGLEY:** Of course. And in just the haste of  
17 trying to -- ultimately, what happened is, whether it was  
18 intentional or not, a procedural limbo was manufactured here.  
19 And my clients were caught in that limbo where there were  
20 injunctive orders in place in the chancery court, which we  
21 understand to remain in effect pursuant to 28 U.S.C. 1450,  
22 whichever the statute is. But then we were in a position where  
23 it was our position that the defendants were violating those  
24 orders to the detriment of the client, which is why we implored  
25 the Court to grant us some time, and we are appreciative that

1 you did do that.

2 But in the haste of trying to move this forward and figure  
3 out which court is going to like parent this case, so to speak,  
4 I did miss that. So I just wanted to let the record reflect  
5 and have an apology from me that I was moving too fast trying  
6 to make a Christmas miracle happen before we all went off to do  
7 the Christmas things.

8 In any event, as you have already identified, the main  
9 issue here is the dissolution of the LLC. And as you have  
10 already quoted the applicable case law, that means that the  
11 object of the litigation is how we're to calculate that amount  
12 in controversy, particularly in a situation where the amount in  
13 controversy is not facially apparent from the complaint.

14 And in this case, when we filed the complaint we made  
15 reference to different types of damages, different claims and  
16 prayers for relief, but it's not like we articulated a number.  
17 We didn't quantify what the damages are. So there is at least  
18 the ambiguity that requires this exercise, which we understand.  
19 In an effort to try to resolve that ambiguity in connection  
20 with our reply in support, rebuttal, whatever the technical  
21 term for that latest filing is, we did submit a declaration  
22 from Josh Gregory, who is the member of QJR, who is the manager  
23 of QJR, to stipulate that it was not our intent to seek damages  
24 in excess of \$75,000, and then that we would not accept damages  
25 in excess of \$75,000, just in an effort to try to resolve the

1     ambiguity again.

2             Our laser focus in this case is the dissolution of the  
3     LLC. The defendants state in their response in opposition that  
4     we're on the same page here, we all want to see this LLC  
5     dissolved, almost questioning the motives for why we would file  
6     it in chancery court, maybe suggesting we're playing some 3D  
7     chess to deprive them of an opportunity to have a jury trial.  
8     That's not the case. The statute says the chancery court has  
9     jurisdiction over a dissolution matter. So we filed the  
10    dissolution matter there.

11            We believe that to the extent it is ambiguous from the  
12    face of the complaint what the damages are, our declaration,  
13    which is intended to serve as a stipulation, hopefully resolves  
14    that, such that the Court doesn't require further analysis from  
15    the parties.

16            That said -- sorry. I was sick the first time I talked to  
17    you, then I got a cold again, so January has not been my month.  
18    But ultimately, if we're focused on the face of the complaint  
19    and the value of the object of the litigation, then the  
20    ambiguity, we believe, is resolved via the declaration. But to  
21    the extent the Court has described the calculation that it  
22    intends to follow looking at the value of the LLC and then  
23    doing that, making an assessment based on sort of pro rata  
24    membership interest, we believe that the amount in controversy  
25    would still fall below that \$75,000 threshold as a result of



1 the fact that the company is just not worth anything. It's  
2 functionally insolvent.

3 I did get the report from the accountant that Judge Harris  
4 instructed us -- he didn't instruct us to engage this  
5 particular accountant, but he instructed us to get an  
6 accounting. I got that over the weekend. I am happy to submit  
7 that to the Court, and then as well to the defendants, so we  
8 have a copy and you can use that as you see fit. But what it  
9 shows is we are a company, Securix Mississippi, I should  
10 clarify for the record, is a company without assets. And while  
11 I appreciate that the defendants have opinions about all this  
12 potential that Securix Mississippi was going to have with these  
13 sophisticated players and this national program to enforce the  
14 Mississippi Uninsured Motorist Act, that didn't come to  
15 fruition. And just because the company had the potential to  
16 have significant value, that was essentially sabotaged by  
17 Mr. Miller and some of his actions, and that's not really  
18 material to the arguments before the Court. Ultimately, what  
19 we're looking at is the functional value of the company, which  
20 is virtually zero.

21 I am happy to address waiver. The plaintiff does believe  
22 and submits to the Court that the defendants by actively  
23 participating in litigation before they were being served,  
24 therefore availed themselves to the jurisdiction of the  
25 chancery court, and so the 30-day clock effectively began to

1 tick when that occurred without objection. I would say it goes  
2 back to October 28th when the defendants, without objection,  
3 participated in mediation prior to being served.

4       Afterward, the Court entered an injunction, which they  
5 sought to modify and seek a protective order regarding, without  
6 objection, to the jurisdiction of the chancery court, without  
7 them having been served. So while service is a formality, it  
8 is a formality that can be waived. And the plaintiff submits  
9 that is exactly what the defendants did. And although the  
10 defendants point to cases, and there certainly exists case law  
11 where participating in some of these preliminary  
12 injunctive-type motion practice and hearings, doesn't  
13 necessarily like, what's the term of art, unequivocally sort of  
14 -- unequivocally indicate that they are litigating on the  
15 merits of the case. I mean, I agree with that. But in those  
16 cases, those defendants had been served, and they had a 30-day  
17 clock that was ticking, and within which they filed their  
18 notice of removal.

19       Here, the 30-day clock began ticking, I would submit, as  
20 early as October 28th when the defendants participated in that  
21 mediation. So it's not necessarily the substantive activity in  
22 and of itself; although, I do believe it also gives rise to  
23 waiver, but it's that timeline of active participation without  
24 service that triggered the 30-day clock to begin to run.

25       I will pause there just in case the Court has questions.

1 I think you understand the arguments pretty well.

2 **THE COURT:** Let's just kind of take each one of the  
3 potential damages, so to speak, one by one. So we have the  
4 value of the company. Of course, it's plaintiff's position in  
5 the value of the company that it's defunct, it's worthless,  
6 essentially. Right?

7 **MS. WRIGLEY:** Correct.

8 **THE COURT:** So that's plaintiff's position. I will  
9 heard defendant's position with regard to that in a few  
10 minutes.

11 First though, Mr. Jordan, have you seen a copy of this  
12 accountant report?

13 **MR. JORDAN:** I have not seen that copy. We haven't  
14 received it yet, Your Honor.

15 **MS. WRIGLEY:** Hot of off the presses. If I may give  
16 a copy to the plaintiff's counsel and approach, Your Honor?

17 **THE COURT:** Yes. While I am asking Ms. Wrigley  
18 questions, Mr. Jordan, you can kind of take a look at it.  
19 Also, listen to the questions, of course, and then I am going  
20 to follow up later about whether there's going to be any  
21 objection to me considering this report for purposes of today's  
22 hearing. All right, Mr. Jordan?

23 **MR. JORDAN:** Yes, sir, thank you.

24 **THE COURT:** I'll give you time to formulate an  
25 objection if you have one.

1           **MR. JORDAN:** Thank you.

2           **THE COURT:** So with regard to the business, Securix  
3       Mississippi, LLC, the value of the object of that piece of the  
4       litigation, I understand your argument there.

5           Defamation, compensatory damages related to defamation, we  
6       don't have specifics in the complaint, we don't have specifics  
7       really about what the statements were, so it's hard for me to  
8       see really -- I think some statements I could see would be so  
9       egregious, I could easily see a value to put on those  
10      statements. I don't see what those statements are and I can't  
11      really -- it's hard for me to put a value on compensatory  
12      damages for some of these alleged defamatory statements without  
13      knowing specifically, quite frankly, what the statements were.  
14      So I am going to ask Mr. Jordan about that.

15           Same kind of goes to punitive damages. I think punitive  
16      damages relates to the defamation, I believe, and I am going to  
17      ask Mr. Jordan about that.

18           Now, there's this breach of contract potential claim maybe  
19      in paragraph 3 of the prayer for relief. What is that? I  
20      wasn't really quite following. I think maybe it was like a  
21      past debt or some interest owed?

22           **MS. WRIGLEY:** Right. So in crafting the complaint we  
23      tried to be as comprehensive as possible understanding certain  
24      limitations for jurisdiction in a chancery court. So with that  
25      recognition aside, there are two sort of quasi breach of

1 contract type claims. One involves just the exceeding the  
2 scope of authority by defendant Miller as it was established in  
3 the operating agreement, but that's not necessarily a place  
4 where somebody is pinning a value. It was just that, hey, the  
5 members of QJR are supposed to handle these pieces, and you,  
6 defendant Miller, exceeded your scope of handling the technical  
7 side by contacting some of these state officials. And that was  
8 one basis for which plaintiffs, QJR, sought the injunctive  
9 relief to cease that misconduct.

10 **THE COURT:** Right. But that was cause of action  
11 number 1, the breach of the operating agreement.

12 **MS. WRIGLEY:** Right. So in the prayer for relief,  
13 there is a debt that we contend that one of the Miller  
14 entities, whether it's defendant Miller individually, or  
15 Securix, LLC, that it owes QJR directly. So not including  
16 Securix Mississippi for consulting services that QJR would have  
17 provided to defendant, Securix, LLC at the inception of this  
18 program in Mississippi.

19 I am not sure if it was clear from your review of the  
20 record, but Securix, LLC was the entity that initially obtained  
21 some of these contracts, including the contract with Ocean  
22 Springs. And then for reasons that I was not involved with,  
23 Securix, Mississippi had to be formed in order to resolve some  
24 of the barriers to being able to obtain additional contracts.  
25 But in the early stages, Securix, LLC utilized QJR as almost

1 like a consulting arm, is my -- again, this sort of predates  
2 me, but that's my understanding. So they didn't want to  
3 completely foreclose the possibility of being able to recover a  
4 debt that was, I believe, somewhere below \$40,000. We have not  
5 fleshed all of that out in this litigation. And I say that to  
6 kind of include both the chancery court and the federal court  
7 to know if that is a debt that is, in fact, owed and if so,  
8 what its value is.

9 **THE COURT:** Okay. But you think that debt may be  
10 somewhere below \$40,000?

11 **MS. WRIGLEY:** Yes, Your Honor.

12 **THE COURT:** Is there an ability in the operating  
13 agreement for a breaching party, or a non-breaching party, to  
14 recover attorney's fees from the breaching party; in other  
15 words, is there a contractual remedy of attorneys' fees?

16 **MS. WRIGLEY:** I want to say that they left that out  
17 for some reason when we -- when the operating agreement was  
18 prepared, but let me see if it is here on the top.

19 **THE COURT:** In other words, I am trying to understand  
20 how real the attorneys' fees request is. That's one of my jobs  
21 I am supposed to look at in amount in controversy is, is there  
22 an actual valid claim for attorneys' fees. Of course, if the  
23 plaintiff were to prevail on defamation in terms of punitive  
24 damages or malice, or something like that, then the plaintiff  
25 could get attorneys' fees. But I am trying to understand, is

1 there an easier way to get attorneys' fees through contractual  
2 remedy.

3 **MS. WRIGLEY:** Of course. I want to say that the  
4 operating agreement was silent as to attorneys' fees, but I  
5 have got it here in front of me, and I am trying to very  
6 quickly glance at these headings to see if one jumps out at me.

7 **THE COURT:** That's okay. Ms. Wrigley, you can look  
8 for that.

9 **MS. WRIGLEY:** I don't think it's in there, though,  
10 Judge, but I will figure that out.

11 **THE COURT:** I believe that concludes all of my  
12 questions for you. And so, Mr. Jordan?

13 **MR. JORDAN:** Yes, sir. Do you want me to take up the  
14 objection to the CPA's report now?

15 **THE COURT:** You can if you are prepared with regard  
16 to that objection at this time.

17 **MR. JORDAN:** And the reason that I ask you first is  
18 because, you know, production of this is ultimately an issue  
19 here. And the Court can see when I was handed this. From what  
20 I have thumbed through, it looks like it's approximately 39  
21 pages. And I got to tell you, I lost track of the argument  
22 that was being made because I was looking through it. Just out  
23 of an abundance of caution, I would object to the opinion  
24 that's in this. And, certainly, I haven't verified the  
25 numbers; however, I think it's very interesting that the amount

1 at issue is 1.3 million, approximately, on the last page, which  
2 is precisely what we have claimed, which is at issue.

3 **THE COURT:** That's not the value of the company.  
4 That's not what this document is saying. I understand -- I can  
5 rule later on whether -- but just so the record is clear, it's  
6 not what the document says the value of the company is. That's  
7 what it says the value of disbursements have been.

8 **MR. JORDAN:** It is, the amount of money that has  
9 ultimately flowed through it. And I say that -- but just to be  
10 succinct, is out of an abundance of caution I would object to  
11 it being presented here just from sort of trial by ambush type  
12 of theory.

13 **THE COURT:** Okay.

14 **MR. JORDAN:** Again, I haven't looked at it. I looked  
15 at the last page and then attempted to read some of the  
16 numbers. And it may turn out that this supports our claim. I  
17 just don't know, and I can't in good conscience allow it in  
18 when I haven't even had a microsecond to look at it.

19 **THE COURT:** Mr. Jordan, I am going to take your  
20 objection under advisement. I will rule on that later in this  
21 hearing.

22 **MR. JORDAN:** Thank you, Your Honor. Considering the  
23 sort of brief argument that we had before, I do have a full  
24 argument based on my opposition to the remand. And I am going  
25 to skip through because I am very aware that the Court is



1 familiar with these facts. I just want to sort of nail down a  
2 few things that don't have to do with amount in controversy,  
3 but do have to do with jurisdictional issues.

4 Anyway, on the facts of this case, this is a couple of  
5 parties. Securix, LLC is, essentially, a national company, all  
6 right. They are -- it's a non-Mississippi company. It's an  
7 LLC that is made up of individuals, two individuals,  
8 Mr. Miller, who is here with me, and another individual from, I  
9 believe, it's North Carolina. Essentially, they are from out  
10 of state. And the purpose of this whole thing was to expand  
11 Securix, LLC's business, and that's what they do, is they have,  
12 not to put too fine a point on it, but they have these cameras  
13 that take pictures of license plates. And if you have  
14 insurance it sends you -- if you don't have the proper  
15 insurance, presumably it sends you a ticket for that. They  
16 have done this in other states, Securix, LLC has. And  
17 obviously Mr. Miller is named individually here, too.

18 Partnering with ultimately what became QJR was to expand  
19 that business into Mississippi and to use that sort of  
20 sophisticated intellectual property and hardware to do that.  
21 QJR is essentially an entity of Securix Mississippi. Securix  
22 Mississippi is made up of Securix, LLC National, who I  
23 represent, and QJR, which is a company that its principal place  
24 of business is in Ridgeland, I believe, and it's three  
25 individuals. And that makes up Securix Mississippi. So

1 Securix Mississippi, that's the 50/50 membership that you  
2 alluded to, and I am very aware that you know that.

3 The parties' plan was to separate statewide and ultimately  
4 piggyback on the success of what Securix, LLC has done in other  
5 states and has done it several times and continues to do it.  
6 Although, arguably, with the black eye that it's gotten in  
7 Mississippi, it has sort of precluded it from any other states.

8 It should be noted that Mississippi, that we have complete  
9 diversity, ultimately that there's no parties -- and if you  
10 look in Mr. Miller's affidavit that he submitted, that there's  
11 no parties that are associated with Securix, LLC, or himself,  
12 of course, that aren't completely diverse with the plan. So I  
13 think it's obvious that we have complete diversity.

14 And this was a sophisticated joint provision, joint  
15 endeavor. And if you look at the size of the operating  
16 agreement, it's substantial, it's not a small operation. Since  
17 the inception, right, Securix Mississippi obtained multiple  
18 contracts using that data sharing agreement that is at issue,  
19 from the beginning they had cash flow. Ultimately, that  
20 underscores the realistic -- that this was a realistic company.  
21 Mr. Miller ultimately claims that he was frozen out of the  
22 company. Securix, LLC, or Securix Mississippi filed a petition  
23 to dissolve. And then there was an ex parte order sealing the  
24 case from chancery court, and then an ex parte immediate  
25 injunction that was placed, and then the Court ordered that

1 there be a mediation. And I remember this specifically because  
2 I was at the podium arguing it in Harrison County here, not in  
3 this courtroom, and my phone, which was on silent, buzzed, and  
4 I saw it was Judge Harris, the judge over the chancery court.  
5 And I told the judge, I said, which judge do you want me to  
6 ignore? And it was not a very formal proceeding. Anyway, so  
7 we were excused and I talked to him, and he advised me that it  
8 had been filed, that he was enjoining filing an ex parte and  
9 enjoining it, and that he was sealing the case, and I said  
10 okay.

11 We participated in the mediation because there was a  
12 unilateral order to do so. The judge selected Mr. Simpson, who  
13 appeared at the mediation, and it just was unsuccessful. But  
14 there weren't any pleadings filed at that point. There weren't  
15 any -- there was no participation in state court. The  
16 defendants, both Mr. Miller and Securix, LLC, haven't been  
17 served by QJR with the petition. They haven't filed an answer  
18 or any other responsive pleadings, they haven't affirmatively  
19 requested any adjudication on the merits, and so on. We  
20 participated in a court-ordered mediation that was unilateral.

21 Ultimately, everybody agrees that the LLC should be  
22 dissolved. It's not an issue. The plaintiff here seeks  
23 damages and injunctive relief. They title the petition as one  
24 seeking dissolution, but also seeks damages and injunctive  
25 relief, which from our perspective is very important, right?

1 The injunctive relief and damages -- they ask for damages for  
2 defamation, they ask for damages due to the breach of the  
3 independent contract agreement that opposing counsel spoke of.  
4 They also ask for interest.

5 There's a potential political sensitivity to the case  
6 because of who is involved, that the City of Ocean Springs is  
7 involved and the State of Mississippi and its governmental  
8 entities. And this is precisely the type of case that should  
9 be removed and have the defendants, you know, entitled to a  
10 jury trial.

11 In saying that, essentially, to respond to QJR's arguments  
12 for remand, there are several points. The first one is what  
13 the Court wants to look at, does the amount in controversy --  
14 and this is the heart of getting started of where we are,  
15 does -- it exceed \$75,000, right? If you look at the law and  
16 in the Southern District of Mississippi, the 2003 case that I  
17 cited, the Citigroup case, the law is whether a case is  
18 removable --

19 **THE COURT:** Let's get into the specifics. What's the  
20 value of Securix Mississippi, LLC?

21 **MR. JORDAN:** So that's the question at issue.

22 **THE COURT:** Well, it's your burden. You have to tell  
23 me, what's the value of it and what's your evidence behind it?

24 **MR. JORDAN:** Let me cut to the chase. They are not  
25 adding up parts of this, right?

1           **THE COURT:** What specifically is the value and how do  
2 you get there?

3           **MR. JORDAN:** You can several ways, but to quickly  
4 answer your question is the financials that we produced show  
5 that there has been amounts received in excess of \$1.3 million,  
6 okay?

7           **THE COURT:** Okay.

8           **MR. JORDAN:** Amounts received in excess of  
9 \$1.3 million. There is a \$345,000 debt, right, arguably, it's  
10 a debt and we're not sure because we have been frozen out of  
11 the corporation, that is owed to the State of Mississippi.  
12 They are holding \$345,000 in funds.

13           **THE COURT:** Wait, what? It's a debt. A debt is not  
14 value. A debt is the opposite of value.

15           **MR. JORDAN:** Well, they are holding those funds.  
16 That debt is owed and they refuse to pay it. They have  
17 received the 1.3 million.

18           **THE COURT:** But you are saying the debt is owed.  
19 That's a liability, it's not an asset.

20           **MR. JORDAN:** But that debt is --

21           **THE COURT:** A value is a value, right? I am trying  
22 to figure out the value. And a value -- we're looking at like  
23 assets, right? Aren't we doing that?

24           **MR. JORDAN:** Sure.

25           **THE COURT:** So I agree, it seems like the plaintiff

1 is going to concede that over \$1.3 million in receipts Securix  
2 Mississippi, LLC has received. That is a lot of money, there's  
3 no question about that, that a company has received that much  
4 money in one year period of time. But it does seem like the  
5 law is telling me I have to figure out value. So in your  
6 notice of removal, you said the value of the disputed assets is  
7 estimated to be in excess of \$1 million. Is that solely based  
8 off of just the receipts?

9 **MR. JORDAN:** Because the only thing we know is we  
10 have received \$15,000 based on his affidavit, and that's all we  
11 have received. We haven't seen the books. We have requested  
12 an accounting. At the request of the accounting, they shut it  
13 down. There's other aspects to the value here other than the  
14 value of just the company, right? As far as --

15 **THE COURT:** Why? Okay. I think the law is telling  
16 me to value the company.

17 **MR. JORDAN:** It is. You also have to look -- what  
18 they did is they claimed that -- now, what they're saying, they  
19 are claiming less than 75,000. But that doesn't include what  
20 the injunction is worth, that the injunction, how much that is  
21 worth.

22 **THE COURT:** Okay. Let's just put your number out  
23 there for value of the company, what is it, or is it I don't  
24 know?

25 **MR. JORDAN:** It's not that I don't know. It's that

1 it can't be determined because they have frozen us out. We can  
2 only have an educated guess of what that company is owed.

3 **THE COURT:** What's the educated guess of what the  
4 value of the company is?

5 **MR. JORDAN:** Half of the 1.3, we believe, has been  
6 received, minus the 15,000 that we have actually received, and  
7 the \$340,000 debt minus that amount. And let me clarify -- and  
8 I have just been notified by Mr. Miller that specifically that  
9 debt is owed by QJR, that it's owed to the Department of Public  
10 Safety and not Securix Mississippi. I misspoke.

11 **THE COURT:** And this is --

12 **MR. JORDAN:** The \$345,000 would still arguably be at  
13 play.

14 **THE COURT:** Because QJR has the contract with the  
15 State of Mississippi, not Securix Mississippi, LLC?

16 **MR. JORDAN:** Let me clarify, Your Honor.

17 **THE COURT:** I mean --

18 **MR. JORDAN:** Your Honor, he is telling me that  
19 unilaterally QJR agrees that they owe that money. I believe  
20 the contract is actually with Securix, LLC.

21 **THE COURT:** Okay. But none of this is in the notice  
22 of removal and we don't have any in evidence in front of me on  
23 this now?

24 **MR. JORDAN:** No.

25 **THE COURT:** I think right now I am at a point where

1 -- your position essentially is I just need to try to say the  
2 value of the company is a lot, certainly more than \$75,000  
3 since the company was taking in over 1.3 million dollars?  
4 That's basically your argument, it sounds like.

5 **MR. JORDAN:** Almost.

6 **THE COURT:** Okay.

7 **MR. JORDAN:** Almost. Because there's several parts  
8 to this.

9 **THE COURT:** I know, but I am just talking about for  
10 the value of the company. I am not talking about the other  
11 aspects of damages.

12 **MR. JORDAN:** Yes, Your Honor.

13 **THE COURT:** It sounds like, primarily, your argument  
14 is surely the company is worth more than \$75,000 if it takes in  
15 over \$1.3 million in a year.

16 **MR. JORDAN:** It almost has to be --

17 **THE COURT:** That sounds generally kind of what your  
18 argument is.

19 **MR. JORDAN:** It almost has to be because we have been  
20 frozen out of the company. We're entitled to see the books.  
21 We asked to see the books, nothing. We get nothing. In fact,  
22 we'll give you an accountant. The Court ordered the accounting  
23 and we got what purports to be the accounting about ten minutes  
24 ago.

25 So my position is, yes, you have to make an educated guess



1 on what the company is worth, but you don't have to solely rely  
2 on that because there's multiple other pieces and other laws  
3 that you're going to add up that, what I see, is kind of like  
4 the cash register --

5 **THE COURT:** I hear you, but educated guess is a lower  
6 standard than a preponderance of evidence. You have the burden  
7 to demonstrate by a preponderance of the evidence, more likely  
8 than not, what the value is right? An educated guess is not  
9 more likely than not; it's just that, it's a guess. It's  
10 educated, but it's still a guess, and that's not my standard.  
11 The law is very clear I can't use an educated guess as a  
12 standard, it is more likely than not, what is the value of the  
13 company? And it may be that your argument is just like,  
14 surely, Judge, a company that's taking in \$1.3 million has a  
15 value at least above \$75,000. That may be a winning argument,  
16 I am not saying it is, I'm not saying it isn't, that's what it  
17 sounds like it is.

18 **MR. JORDAN:** If we have -- may I have one second with  
19 my client?

20 Your Honor, so out of an abundance of caution, I will  
21 withdraw my objection to having the accounting submitted into  
22 evidence.

23 **THE COURT:** Okay.

24 **MR. JORDAN:** And the only reason is, although I don't  
25 think it's necessary because of the arguments that I am going

1 to make about injunction and the value of the breach of  
2 contract and irreparable harm, I think that clearly gets us  
3 past the 75,000. But in response to your comments, having to  
4 have something substantial to put my finger on, that's all they  
5 have given me. I don't know, there could be a bomb in there.  
6 I doubt it.

7 **THE COURT:** Okay. So you're withdrawing your  
8 objection. You do want me to consider it. This is -- y'all  
9 want to file this restricted for attorneys' eyes only?

10 **MS. WRIGLEY:** If possible, Your Honor, yes, please.

11 **THE COURT:** Mr. Jordan?

12 **MR. JORDAN:** I would, out of an abundance of caution,  
13 just because the state court record is sealed restricted, and I  
14 don't want to step on that.

15 **THE COURT:** And there's checking accounts, there's a  
16 lot of financial data. We obviously have not gone through this  
17 and made sure there's no personally identifiable numbers and  
18 so -- essentially, what the parties want me to do is file it as  
19 restricted, is that fair?

20 **MR. JORDAN:** Yes, sir.

21 **MS. WRIGLEY:** Yes, sir.

22 **THE COURT:** In light of there being no objection to  
23 this being considered for purposes of today's hearing, then  
24 this document that was presented today as an accounting of  
25 Securix Mississippi, LLC will be Exhibit 1, plaintiff's

1 Exhibit 1 to today's hearing and it will be filed restricted,  
2 that's restricted attorneys' eyes only.

3 (EXHIBIT P-1 MARKED)

4 **THE COURT:** So I think I have an understanding -- I  
5 have the accounting in front of me. I also have your arguments  
6 about the valuation of the company. Now, let's move on to how  
7 you want to get to \$75,000 through the other arguments you want  
8 to bring.

9 **MR. JORDAN:** Let me show you how we get there.  
10 Ultimately, what has happened is, is that in the reply the  
11 plaintiff -- and this is my brief argument of everything that I  
12 have briefed. They are saying that the max amount we can  
13 recover is \$74,999 arguably, right? They say it's less than  
14 \$75,000. That doesn't include the injunction and what that  
15 injunction is worth. I know you don't want me to go over it.  
16 In my brief, I walk you through the specific -- the law on  
17 injunctions, how you value the law on injunctions --

18 **THE COURT:** You value the law of injunctions on the  
19 value; right?

20 **MR. JORDAN:** Yes.

21 **THE COURT:** Of the object of the litigation?

22 **MR. JORDAN:** You value the injunction -- basically,  
23 the value of the injunction is the harm that it is intended to  
24 prevent, right, that's the rule.

25 **THE COURT:** Right. And that's why I went into the

1 50 percent ownership, because you divide it in half, the value  
2 of the company, because that's the harm to the parties, either  
3 one of them.

4 **MR. JORDAN:** That's not what they are claiming, is  
5 that it's solely exclusive to the harm of the economic value of  
6 the company, okay. They didn't -- that doesn't include in  
7 their less than \$75,000 what that injunction is worth. If that  
8 injunction is --

9 **THE COURT:** How much is the injunction worth?

10 **MR. JORDAN:** Well, that's my point.

11 **THE COURT:** It's your burden. And what specifically  
12 are you saying the injunction damages would be? I am trying to  
13 understand what's the harm --

14 **MR. JORDAN:** They are saying that the injunction is  
15 mandatory, huge consequences are going to happen if they don't  
16 have this injunction. They speak out of both sides of their  
17 mouth, and I put it in the brief. When you're talking about --  
18 let me find it because it's very clear here. So when you are  
19 talking about --

20 **THE COURT:** What are they seeking to enjoin?

21 **MR. JORDAN:** Can I add one more point, just back up  
22 before we get back on the value of Securix? There's also a  
23 class action suit, right, that has been filed against Securix  
24 Mississippi. The class action clearly implies that there's a  
25 plaintiff out there, there's a bunch of them --

1           **THE COURT:** I saw your footnote on that. I  
2 understand that.

3           **MR. JORDAN:** They also haven't filed bankruptcy.

4           **THE COURT:** I saw your footnote.

5           **MR. JORDAN:** Okay, good. I don't want to go through  
6 this and argue it. The value of injunctive relief, if you look  
7 at that rule, it's just what we said, it's the harm the  
8 injunction was intended to prevent. And the plaintiff's speak  
9 out of both sides of their mouth. When you talk about the  
10 issue of amount in controversy reaching \$75,000, they say the  
11 defamation is trivial.

12           **THE COURT:** Right. And I get that argument. I think  
13 that's a plausible argument in terms of the speaking out of  
14 both sides of your mouth, but what is the value, what is the  
15 harm, and how much is it, and how do we get there?

16           **MR. JORDAN:** The harm is they are sophisticated --  
17 the harm is the extent that they still want to enforce the  
18 injunction. If you look on page --

19           **THE COURT:** What is the injunction, what would it do?

20           **MR. JORDAN:** They want to stop the defamation from  
21 ruining political careers, that's their argument. So those  
22 political careers have certain amount of value, certainly more  
23 than 75,000. How do you put a dollar amount on that?

24           **THE COURT:** We're going to get to the past  
25 defamation, but you are talking about future defamation?

1           **MR. JORDAN:** I am talking about current defamation  
2 that they already claim has happened and they filed a motion --

3           **THE COURT:** Right, but that's compensatory damages  
4 and punitive damages for past defamation. An injunction  
5 enjoins someone from future behavior, right?

6           **MR. JORDAN:** It's all the same. And they claim that  
7 it's imminent, it's necessary, there's nothing more important  
8 than this happening because of the huge consequences, arguably  
9 monetary consequences, that could happen.

10          **THE COURT:** And what would those monetary  
11 consequences be?

12          **MR. JORDAN:** How would you put a number on a loss of  
13 a political career with substantial, what they call  
14 substantial --

15          **THE COURT:** I don't know, you tell me. You can put a  
16 number on it. Defamation cases have numbers on them. They  
17 have them every time. So what is the number?

18          **MR. JORDAN:** The number would be in excess of a  
19 million dollars.

20          **THE COURT:** Okay. How do you get there? Because the  
21 plaintiff is QJR.

22          **MR. JORDAN:** Right.

23          **THE COURT:** Right, does QJR have a political --

24          **MR. JORDAN:** Yes, that is what they are claiming.

25 The members of QJR, which is the initials of their first

1 names.

2           **THE COURT:** But if QJR goes to trial against the  
3 defendants, QJR is the plaintiff. In other words, I don't know  
4 all the members of QJR, LLC, but let's say John Doe is a member  
5 of the LLC, John Doe doesn't get to get on the stand at trial  
6 and say, I have personally been harmed and defamed personally  
7 and I am entitled to damages, right?

8           **MR. JORDAN:** The injunctive relief is to stop them  
9 from talking about them individually, not talking about QJR.

10           **THE COURT:** Where does it say that in their prayer  
11 for relief? Even still, that's still future action that --  
12 that is speculative, it hasn't happened, right? That's  
13 something that hasn't happened in the future. What I am  
14 saying, a defamation claim -- I am trying to understand what  
15 the value of this defamation claim may be.

16           So again, John Doe takes the stand at a trial, and John  
17 Doe, member of QJR, LLC, says I have been defamed, my personal  
18 career has been harmed, and so I want damages from you, Judge,  
19 or jury, as to that. That's not happening. It's not  
20 happening. The plaintiff is QJR, right? That's who the  
21 damages have to come from. And so what is the damage to QJR?  
22 I am trying to understand -- we have no statements in the  
23 complaint about a specific statement that's clearly defamatory  
24 or that says something that I can view as very defamatory of  
25 QJR. So what is this statement that is so bad that harms their

1 reputation, I am just trying to get to that?

2 **MR. JORDAN:** And they don't say it, and they don't  
3 put a dollar on it, and they don't say what the dollar is and  
4 whether that's intentional or not or they just didn't do it, I  
5 don't know. Everything they say -- they specifically say that  
6 the memberships and QJR have specific important political  
7 interests and business interests to protect, and that's what  
8 the --

9 **THE COURT:** That's the conclusory statement.

10 **MR. JORDAN:** It's what they say.

11 **THE COURT:** I know, but it's your burden to tell me  
12 what the value is.

13 **MR. JORDAN:** So there's no way you can put a dollar  
14 amount on that from something that is objective.

15 **THE COURT:** Right. And I think the thing is about an  
16 amount in controversy, in the vast majority of amount in  
17 controversy arguments that I deal with, say it's a car wreck  
18 case, we can take the medical expenses that are known and then  
19 I can use those for amount in controversy. Those are hard  
20 numbers. And then I can probably understand how bad the  
21 accident was and get a feel for pain and suffering, get a feel  
22 of whether punitive damages is at stake, etcetera.

23 So I think defamation, that's why it's very important to  
24 understand what the statement was, who is being harmed, what  
25 their reputation is, those types of things to understand fully



1 what the harm is to that individual. There's defamation cases  
2 where somebody may get awarded nominal damages. There's  
3 defamation cases, for example, one from about 20 years ago in  
4 the Mississippi state court system where a military member was  
5 defamed arguably, allegedly, was actually a malicious  
6 prosecution case, but kind of tied up in defamation, and he  
7 lost his rank, at least arguably. So there was clear -- there  
8 was a clear through-line to that damage, you see what I am  
9 saying, because he lost -- he lost the opportunity to advance  
10 his career because of something that was said or something that  
11 happened to him. So that's why I am trying to understand  
12 because unlike a car wreck case it's a little bit more  
13 subjective, so to speak, what the damages are that relate to  
14 defamation.

15 **MR. JORDAN:** They say their business interests are  
16 substantial. I was surprised when they said that. They came  
17 out and said, we are of great political importance. Our  
18 business interests are substantial. We are very important. In  
19 fact, when I am reading that, looking at it at chancery court,  
20 to me, maybe on my side of the V, it looks like, judge, you  
21 rule in our favor because we have a lot of political importance  
22 and we can -- you're elected. I don't know if that's true, I  
23 don't think that's true, but that's the way it reads if you're  
24 arguing. They say that they have substantial and immediate  
25 huge business interests and reputation to defend and that's the

1 reason for it.

2 Now, they don't say that that business interest is over a  
3 million dollars. I would argue that it was because Securix  
4 Mississippi has taken in more than a million dollars, and they  
5 haven't even expanded throughout the State of Mississippi yet.  
6 They are only in a few very select counties.

7 **THE COURT:** Do you know the value of QJR, LLC?

8 **MR. JORDAN:** We don't know -- they have given us  
9 nothing.

10 **THE COURT:** I know that.

11 **MR. JORDAN:** Literally, I don't know the value of it.

12 **THE COURT:** Do you know like any contracts that QJR,  
13 LLC has or anything like that? See what I am saying? I am  
14 trying to understand what the damage to the reputation of QJR,  
15 LLC would be.

16 **MR. JORDAN:** And I am glad you said that. Because  
17 the contracts that Securix Mississippi, LLC has with the states  
18 were all procured by QJR, the members of QJR. They weren't  
19 procured by the members of Securix, LLC or Mr. Miller. He's  
20 not from Mississippi, didn't live here. Every contract we  
21 have, every state contract that was procured and served for  
22 Securix Mississippi, LLC was procured by QJR, period.

23 **THE COURT:** Let's go to some of the other more  
24 specific damage types and make sure I am on the page with you.  
25 First, attorneys fees, costs. Any avenue to attorneys' fees or

1 costs contractually that you know of, or would it all have to  
2 flow through punitive damages or defamation?

3 **MR. JORDAN:** From what they have seen, I don't see  
4 anything contractually for attorney fees.

5 **THE COURT:** So if someone breaches an operating  
6 agreement, the prevailing party is not automatically entitled  
7 to attorneys' fees?

8 **MR. JORDAN:** I don't see it, no.

9 **THE COURT:** And then this debt, potentially, that  
10 predated Securix Mississippi, LLC that was kind of thrown in as  
11 a prayer for relief, kind of, there's really no cause of action  
12 for it that I see. Did you see a cause of action for it?

13 **MR. JORDAN:** Well, they specifically claim that the  
14 breach of the prior cause is worth about \$42,000, I believe I  
15 heard opposing counsel say.

16 **THE COURT:** I think she said it's below 40.

17 **MR. JORDAN:** Well, below \$40,000. And that was a  
18 contract that predates the operating agreement, the way I  
19 understand it. So I believe that we start at \$40,000. It's  
20 paragraph 3 of the petition for relief, where they claim that  
21 the damages from breach of contract are asserted.

22 **THE COURT:** Mr. Jordan, you can take a minute and  
23 consult with your client, and then you can close if you would  
24 like.

25 **MR. JORDAN:** Okay. If I can have two seconds?

1           **THE COURT:** Yeah, you can take your time for a little  
2 bit and consult with your client.

3           **MR. JORDAN:** I would like to request an opportunity  
4 for a post reply brief solely on the accounting because I think  
5 from what Mr. Miller is telling me, there is the  
6 misappropriation of several hundreds of thousands of dollars.  
7 And if we see that accounting, and maybe Your Honor --

8           **THE COURT:** Are you going to ask me in a post reply  
9 brief to make a ruling on misappropriation when my job right  
10 now, jurisdictionally, is just to determine the value, right?  
11 And I understand maybe you say, well, you're going to have to  
12 determine misappropriation to determine value. You see what I  
13 am saying, that's like a whole trial.

14           **MR. JORDAN:** It is. I want to show you a dollar  
15 amount, and I want to be able to use a post reply brief to look  
16 at this accounting to do that because you are looking for an  
17 objective dollar amount on the business.

18           **THE COURT:** Ms. Wrigley, just his request for a post  
19 reply brief.

20           **MS. WRIGLEY:** I mean, Your Honor, we would object  
21 to -- obviously, we defer to the decision of the Court, but I  
22 mean, I do think it opens a can of worms that are really not  
23 properly within the scope of removal/remand analysis. Once you  
24 start getting into those weeds -- and it really doesn't impact  
25 the value of the organization overall. That's a dispute that

1 has to be maybe resolved, but ultimately wouldn't that be a  
2 debt that doesn't go to valuation necessarily.

3 I would object to a post reply brief in that he has  
4 consented to the admission of the exhibit here, not  
5 withstanding the fact he was only briefly able to review it.  
6 And to the extent there are issues from the perspective of the  
7 defendant as to what this certified accounting report shows,  
8 then that's something that should be resolved after a  
9 jurisdictional decision is made either in your court or back in  
10 the chancery court with Judge Harris.

11 **THE COURT:** Okay. I will take that request under  
12 advisement, the request for a post reply brief.

13 Mr. Jordan, anything else?

14 **MR. JORDAN:** Just in conclusion, Your Honor, for two  
15 points, a conclusion of the valuation argument and then the  
16 conclusion of the waiver argument.

17 Obviously, when you are looking at the amount in  
18 controversy you are looking at all the plaintiff's claims, and  
19 that's the damages for defamation, which, again, they  
20 include -- I'd like to point out on page 5 of their reply  
21 brief, they state that they are still asking for injunctive  
22 relief, they still want the violations of the relief. So  
23 clearly there's value to the injunctive relief. The damages  
24 for defamation, damages for breach of contract asserted in  
25 paragraph 3 of their petition, the value of the plaintiff's

1 claim for injunctive relief, and the value of Securix  
2 Mississippi, the company that they are fighting over, the  
3 50 percent, that's the amount of dispute computed, far exceeds  
4 \$75,000.

5 Now, with respect to waiver, again, I have the case cited  
6 as the *Celi*, C-E-L-I, case. There's just no substantial action  
7 that was taken prior to removal.

8 **THE COURT:** Mr. Jordan, let me pause you. I tell you  
9 what we're about to do. We're about to take a brief recess.  
10 Since this document has now been admitted and we are -- I am to  
11 consider this document, I do want to give you and your client  
12 an opportunity to go over it. I am taking under advisement  
13 your post reply brief request. I want to give you an  
14 opportunity to argue about the document today in a more  
15 efficient manner than just a post reply brief. I may give you  
16 a post reply brief, but I do want to give you the opportunity  
17 to argue about it today. So we're going to take a recess until  
18 4:20.

19 And one thing I am -- it looks like to me, and I am going  
20 to want to hear from Ms. Wrigley about this, it looks like to  
21 me that this is a summary of cash, not a balance sheet. It's a  
22 summary of cash. Cash, obviously, is an asset, I think that  
23 would go to valuation. The ending balance is \$57,065.46. I  
24 mean, of course you would divide that number in half for the  
25 valuation of the defendant's portion that's, \$28,522.73. But

1 it doesn't look like the business is defunct. I don't see that  
2 from the cash standpoint. Maybe there's some, I guess,  
3 liabilities out there that are undisputed, and so there's -- I  
4 don't know. I don't know -- from this, it doesn't just clearly  
5 show the business to be defunct. I also don't know from this  
6 what the assets of the business are in terms of does this  
7 business own a building, you know, does it have a mortgage on a  
8 building, is it upside down, all those types of things. Maybe  
9 that's just outside the scope of what I need to get into, but I  
10 don't know if this is really fully helping me with valuation of  
11 a company. And so I will give Mr. Jordan the opportunity to  
12 look at this a little closer and to formulate any arguments  
13 that he may have on valuation of the business.

14 **MR. JORDAN:** Thank you, Your Honor. When we come  
15 back, do you want me to summarize my waiver argument or did we  
16 cover it in the brief enough?

17 **THE COURT:** I think you have covered the waiver  
18 argument.

19 **MR. JORDAN:** Okay, good. And when do you want us  
20 back?

21 **THE COURT:** Let's come back at 4:20. We'll do 4:25.  
22 That will give you 20-something minutes to go over this with  
23 your client.

24 Court will stand in recess.

25 **(RECESS TAKEN AT 4:03 P.M. UNTIL 4:25 P.M.).**

1           **THE COURT:** As a reminder, does anybody have any  
2 recording devices in here? Y'all may have your phones or  
3 anything?

4           **MS. WRIGLEY:** I have a phone, but it's not on.

5           **THE COURT:** Anybody else have a phone or anything, or  
6 an iPad?

7           **MS. WRIGLEY:** I have a phone, but it's not doing  
8 anything.

9           **THE COURT:** Just as a reminder, in federal court  
10 nothing can be recorded. That's just a reminder. The only way  
11 traditionally, there's some exceptions, but traditionally the  
12 way we preserve things in federal court is through the court  
13 reporter transcript. It's just a reminder.

14           Mr. Jordan, have you had an opportunity to go over this  
15 accounting of cash, summary of cash?

16           **MR. JORDAN:** I have, Your Honor. I went over it with  
17 Mr. Miller. And initially, I had told the Court that I didn't  
18 have any witnesses, but after receiving this I would call  
19 Mr. Miller for a couple of questions.

20           **THE COURT:** All right. Ms. Wrigley?

21           **MS. WRIGLEY:** I mean, Your Honor, I would object to  
22 Mr. Miller being able -- I don't know what relevance his  
23 personal knowledge will have about any of these. If by Mr.  
24 Jordan's earlier argument that he was totally shut out and had  
25 no knowledge of financial operations I am not sure what he is



1 going to be able to offer that is admissible as it relates to  
2 the cash transaction summary.

3 **THE COURT:** Okay. Objection is overruled. You can  
4 raise that objection during the testimony if there's anything  
5 that comes up as to relevance, obviously, you can preserve  
6 those objections. Mr. Miller is going to be allowed to  
7 testify.

8 Mr. Jordan, you may call Mr. Miller.

9 **MR. JORDAN:** I would Your Honor. I call Mr. Miller  
10 to the stand, Mr. Jonathan Miller.

11 (Oath Administered)

12 **MR. JORDAN:** Your Honor, I intend on using this, the  
13 marked exhibit for him, and I just have this one copy. Do you  
14 want to us use the marked copy for him to refer to?

15 **THE COURT:** The one that's been entered into  
16 evidence?

17 **MR. JORDAN:** Yes, sir.

18 **THE COURT:** You can just use the one that you have.

19 **MR. JORDAN:** Okay. May I approach?

20 **THE COURT:** Yes. We actually have -- you can use the  
21 Elmo, that can make things easier.

22 **MR. JORDAN:** Some of these have my notes on them.

23 **THE COURT:** That's up to you. This is just a judge  
24 hearing, so it's not in front of a jury. I don't care if I see  
25 your notes.

1           **MR. JORDAN:** I will mark it out. Not mark it out,  
2 put a piece of tape over it.

3           **THE COURT:** You can use the evidence copy if you  
4 want. I have got it right here.

5           **MR. JORDAN:** It should be simple because I am not  
6 using a lot of pages. That's okay. We'll do it the old way.

7           Your Honor, may I approach?

8           **THE COURT:** You may.

9                           **JONATHAN MILLER,**  
10 **having first been duly sworn, testified as follows:**

11                           **DIRECT EXAMINATION**

12 **BY MR. JORDAN:**

13       Q. Mr. Miller, will you state your full name and your address  
14 for the record, please?

15       A. Certainly. My name is Jonathan Miller, and my address, my  
16 personal address --

17           **THE COURT:** Just say where you live. There's some  
18 personally identifiable information we're trying to keep out of  
19 the record.

20 **BY MR. JORDAN:**

21       Q. What city do you live in, Mr. Miller?

22       A. Conyers, Georgia, near Atlanta.

23       Q. Are you a member of Securix, LLC?

24       A. I am one of three owners, yes.

25       Q. What's your position in the company?

1 A. I am the chairman.

2 Q. Have you been involved with the formation of Securix  
3 Mississippi?

4 A. Yes, sir.

5 Q. At what point did you become, first become involved with  
6 it?

7 A. I was the original sole member of Securix Mississippi when  
8 it was first created. That was back, I think, the middle or  
9 August, roughly August of 2024.

10 Q. Are you familiar with --

11 A. '23. I am sorry, '23.

12 Q. Is there anyone else in Securix, LLC that would be more  
13 familiar with the books, the numbers, and the issues that have  
14 been pled than you?

15 A. As far as the books are concerned, certainly. We have  
16 accounting folks. But as far as the general structure of  
17 things, no, I would be the most knowledgeable.

18 Q. Are you -- can you testify to how much money that Securix,  
19 LLC has received from Securix Mississippi?

20 A. One percent of the total collected amount. We've received  
21 \$15,000 over the last year or so, and the company is still  
22 there.

23 Q. Before that. You're familiar enough to testify about  
24 that, is what I am asking you?

25 A. Yes, sir, I am.

1 Q. If you look -- we have received, obviously, as you know  
2 and the Court has given us time to review, and you and I have  
3 reviewed what we're calling an accounting. And you have the  
4 last page of that accounting in your hand. In fact --

5 **MR. JORDAN:** Your Honor, may I approach because page  
6 35 and 36 go together.

7 **THE COURT:** Yes.

8 **BY MR. JORDAN:**

9 Q. And Mr. Miller, what two pages do you have?

10 A. Pages 35 and 36.

11 Q. Okay. Now, and you have reviewed this accounting with me  
12 in the interim, the break that we took?

13 A. Yes, sir, I did.

14 Q. How much money has Securix Mississippi received total?

15 A. Well --

16 Q. I'm sorry, Securix, LLC, how much have they received from  
17 Securix Mississippi, or QJR?

18 A. A total of \$15,000 in net income. We have received -- I  
19 am pretty sure this is very close, about \$50,000 in payments  
20 for equipment, insurance, web posting.

21 Q. You say you are pretty sure. What is the maximum amount  
22 that could possibly be?

23 A. \$60,000 would be the absolutely most it could be.

24 Q. Is that in addition to the 15,000?

25 A. Yes, sir, that would be in addition to the 15,000.

1 Q. Is that what's reflected on the accounting you're holding  
2 in your hand?

3 A. No, sir, it is not.

4 Q. What does the accounting say?

5 A. The accounting says \$246,286.63.

6 Q. Do you know why -- so is that correct?

7 A. No, sir, that can't be. That's not correct.

8 Q. Why?

9 A. The reason, sir, is that -- I don't know what makes that  
10 up. I see no detail work here at all. I have no idea how they  
11 could come up with a number like that, but it's clearly  
12 inaccurate, very inaccurate.

13 Q. But it's your testimony that, in gross, you have received  
14 a maximum of \$60,000, plus \$15,000, net?

15 A. Yes, sir, that's correct.

16 Q. Are there any other numbers on those sheets that you can  
17 -- that you can identify after having looked at them as clearly  
18 incorrect?

19 A. There are a number of things that come to mind right away.

20 Q. What do you see?

21 A. First off, Milton Hickson is a full-time employee, and yet  
22 he has only been paid -- and I have seen all the numbers. He  
23 was paid total for this entire period of time, over a year,  
24 \$900, \$923. So that's completely wrong. QJR, it shows that  
25 QJR was paid \$42,349. I am not sure what that means or what

1 for. Josh Gregory was paid \$5,178, that's personal. He is not  
2 allowed to be paid separately out of that. And then Mark  
3 Dunston, I know for a fact, because I have seen the bank  
4 records on this, Mark Dunston has been paid 48,000. Mark  
5 Dunston is their business partner. There is no authority to  
6 pay Mark Dunston anything.

7 Q. And how much does it show on there that he was paid?

8 A. It's wrong. This has 38,000. I know it's 48,000, based  
9 on the last records. The other part of the problem, sir, is  
10 that the system was shut down because of misuse by QJR in  
11 August. And the banking is still happening. This goes through  
12 November 30. But as of yesterday, the bank account is still  
13 open, transactions are still happening, the money is being  
14 stripped, as all of these people are working for other business  
15 interests for QJR.

16 Q. And how do you know the banking continues?

17 A. We have access to just see the overview of the bank. We  
18 have no access to the detail work or anything else. The other  
19 thing, of course, is that their net site talks to the effect  
20 that Securix Mississippi is operational in multiple states.  
21 There's a lot more going on here than is being discussed.

22 Q. Now, one more question. You said you had access to the  
23 banking records, or a portion of the banking records; is that  
24 correct?

25 A. Mike McRae, who is our company secretary, has, and it's

1 regularly sent across to me. It's only the overviews. They  
2 are just typically bulk amounts. But yes, we see that  
3 break-out.

4 Q. Now, you have included that break-out with totals in your  
5 declaration as an exhibit, haven't you?

6 A. Yes, sir, I have.

7 Q. Is there anything else you can see from your view that you  
8 want to tell the Court that's improper?

9 A. Well, there's Frontier Strategies, which is Josh and  
10 Quinton, this is, you know, \$3,408. I don't want to be a pure  
11 difficult. All I know is that we have a great many people who  
12 are still working. The system was shut down in August. They  
13 are all being paid. Clearly on that basis alone, there's  
14 diversion of funds. But we estimate that there's been  
15 diversion of funds of at least \$200,000, plus the \$345,000 that  
16 QJR owes to pay DPS, which is a very substantial amount of  
17 money.

18 Q. And this accounting ended in November; is that correct?

19 A. Yes, sir, that's right.

20 Q. And you have personally seen bank account statements that  
21 continue up to when?

22 A. Yesterday.

23 **MR. JORDAN:** Nothing further, Your Honor. Thank you.

24 **THE COURT:** Ms. Wrigley?

25 **CROSS-EXAMINATION**

1 **BY MR. JORDAN:**

2 Q. Mr. Miller, I am Jaklyn Wrigley. We have met before. You  
3 have access to the accounts, you have seen the accounts  
4 recently; is that correct?

5 A. I see the overview, yes, that's right.

6 Q. At any time, has your access to the account been deprived?

7 A. No, not at all.

8 Q. How much money is in the account?

9 A. Again --

10 Q. As of today or whenever you most recently checked it?

11 A. Really, I don't know. It's changing. The money keeps  
12 getting stripped out for other purposes. I think it was about  
13 \$50,000 the last time.

14 Q. You think it was \$50,000 within the last 48 hours?

15 A. Oh, no, no, I don't know.

16 Q. I am asking you, Mr. Miller, how much money was in the  
17 account the last time you checked it, which you just  
18 represented to the Court, was recently?

19 A. I do not remember. I don't think I even bothered with  
20 that because the money changes, the balance changes all the  
21 time.

22 Q. Give me a ballpark.

23 A. And it's just a guess, but I would suggest about 16,000.  
24 The last time I saw it, it was about 16,000. It was very  
25 little.



1 Q. Very little. So what we can agree, then, is that the  
2 amount of money in the account is very little; correct?

3 A. That's correct.

4 Q. Certainly less than the \$60,000 that is on page 3 of this  
5 report? \$57,000?

6 A. Yes. You're talking about from November?

7 Q. Yes.

8 A. Yes, from November it's changed. It changes constantly.

9 Q. But notwithstanding your perception of the fluctuation of  
10 the account, we can agree a very small number exists in that  
11 account now; is that correct?

12 A. Yes, because it's been stripped, yes.

13 Q. Your opinion notwithstanding. What I would like to know  
14 is for you to confirm the date that Securix Mississippi was no  
15 longer able to conduct business in Mississippi.

16 A. I don't know the exact date. It was late August when the  
17 Department of Public Safety issued a declaration that  
18 everything be shut down.

19 Q. Again, let's find the common ground we have here. We have  
20 an entity that has very little in the bank account, yes?

21 A. Yes.

22 Q. And that can no longer do business in the State of  
23 Mississippi, yes?

24 A. No. You have continued to do business in the State of  
25 Mississippi.

1 Q. Let me rearticulate just in case you didn't hear me. You  
2 have confirmed, you and I agree, that this entity has not been  
3 able to do business in the State of Mississippi since August;  
4 right, yes or no?

5 A. I disagree with you. It could not legally do so because  
6 of the conduct of QJR.

7 Q. We'll have to agree to disagree on that. But we can at  
8 least agree that the entity has not been fulfilling the scope  
9 of these municipal contracts since August; is that right?

10 A. No, it is not. QJR continued to operate with these  
11 agencies. We were not allowed to speak to the agencies or  
12 inform them there's no insurance, no coverage, no nothing for  
13 them. They did this in violation of what Department of Public  
14 Safety said.

15 Q. So your position is the entity -- let me ask it another  
16 way. Can this entity, then, generate revenue based on the  
17 program as a result of being shut down as you represented in  
18 August?

19 A. Not after DPS -- not legally after DPS -- their comment  
20 was, we have been told, all the money has to be returned to the  
21 violaters.

22 Q. So is it your position that this entity continues to  
23 generate revenue?

24 A. Yes, you are continuing to collect revenue now.

25 Q. But there's very little in the account?

1 A. Very little.

2 Q. So what your position is, legally it's not supposed to  
3 have conducted business since August; correct, yes or no?

4 A. That's correct.

5 Q. Very little exists in the account as of the last 48 hours;  
6 correct?

7 A. That's correct.

8 Q. Then how do you apply a value to a company that cannot  
9 legally do business and has no money in the account where that  
10 value is in excess of some number north of \$75,000?

11 A. Part of it is because Josh, in January, we can provide you  
12 the document, estimated that the company would break even by  
13 February. The company should've made a great deal of money.  
14 If it had not been paying other people's bills, it would've  
15 made a great deal of money. I think the projection is very  
16 obvious.

17 Q. Wouldn't it also be true that the company could've  
18 continued to generate revenue but for your sabotage of the  
19 organization?

20 A. There's been no sabotage. There's been no defamation. My  
21 responsibility to the Department of Public Safety, because that  
22 contract was with us, we asked many times for proof that it was  
23 being paid. They were not being paid. DPS is not happy with  
24 QJR.

25 Q. I am glad that that is your opinion. But isn't it true

1 that it's Securix, LLC that owes money to DPS?

2 A. No, it is not because what happened was QJR then  
3 obligated -- Quinton made the obligation that QJR would pay  
4 because QJR controls all the money, we do not?

5 Q. And that's in the contract somewhere?

6 A. We have it as an email from Quinton, yes.

7 Q. Well, for purposes of today, what it sounds like we can  
8 agree is that this entity is no longer legally allowed to do  
9 business, is how you phrased it; it has no money in the  
10 account; and you have had unrestricted access to the bank  
11 account for the entirety of the sort of relevant scope of time,  
12 all three of those things are correct; right?

13 A. No, they are not.

14 Q. Why?

15 A. Because for the first several months we had no access to  
16 the bank account at all. And even now, these numbers are often  
17 bulk numbers. As you can see, and it's very obvious, there's  
18 many inaccuracies with this statement --

19 Q. I don't think that's very obvious at all.

20 A. I do.

21 Q. In any event, I don't know that we have to get into  
22 hashing out your opinions here when we can at least agree that  
23 there's very little money in the account, you have not been  
24 denied access, at least over the last prolonged period of time,  
25 and this entity is not able to conduct business legally, as you

1 phrase it, in the State of Mississippi, all of those things are  
2 true; correct?

3 A. Except that Mississippi, Securix Mississippi is continuing  
4 to conduct business. Your net site talks about operations in  
5 other states even. So clearly -- and you have all these people  
6 working. So they're doing something; I suspect that it's for  
7 other business purposes.

8 Q. But we have confirmed, that's just your suspicion. You  
9 have no proof of that; correct?

10 A. No. I am sorry. Your own net site says you are doing  
11 this.

12 Q. Okay. I am not doing anything, I am just the lawyer, I am  
13 just here asking the questions. In any event, I do think we  
14 have reached an agreement on the key facts here, which is we  
15 are dealing with an entity that has no assets and that cannot  
16 legally conduct business in the State of Mississippi. And  
17 while you have purported to be frozen out of, you know, certain  
18 aspects, you have at least had access to the bank accounts for  
19 the last six months; correct?

20 A. Yes, correct.

21 Q. Thanks.

22 **MS. WRIGLEY:** That's all I have, Judge.

23 **THE COURT:** Mr. Jordan?

24 **REDIRECT EXAMINATION**

25 **BY MR. JORDAN:**

1 Q. Mr. Miller, has any of your testimony changed your opinion  
2 about how much Securix Mississippi has received and how much  
3 that sheet says that they have received?

4 A. Absolutely not.

5 Q. And has it changed your opinion about the other  
6 inconsistencies that you have already testified to?

7 A. No, sir. And I am seeing more of them now, which I would  
8 like to address, but no, no changes.

9 Q. Tell me the other ones.

10 **MS. WRIGLEY:** Objection, Your Honor. This is outside  
11 the scope of cross.

12 **THE COURT:** Be more specific, Ms. Wrigley.

13 **MS. WRIGLEY:** He is now being asked to identify  
14 additional discrepancies, and that's not a follow-up to the  
15 cross-examination, that's now new testimony.

16 **THE COURT:** Mr. Jordan?

17 **MR. JORDAN:** His testimony was now he sees additional  
18 inconsistencies. And the fact that we got this, essentially  
19 ambushed with this document, that now he sees another one after  
20 reviewing it for 20 minutes, I think it would arguably at least  
21 be fair.

22 **MS. WRIGLEY:** I'd like to just add that this  
23 characterization that this was some like diabolical ambush is  
24 consistent with -- is not consistent with the reality, in that  
25 I also received the accounting today, so I shared it, like I

1 mentioned I would in the reply, as quickly as I had it.

2 **MR. JORDAN:** I am not blaming opposing counsel.

3 **THE COURT:** Okay. If we're just pointing out another  
4 alleged discrepancy, the objection is overruled. I can take  
5 that into consideration as I see fit, so the objection is  
6 overruled.

7 **THE WITNESS:** Just to answer your question very  
8 quickly, you have got staff members that are working that are  
9 being paid, several of them, Nicky, Tina, Pat, Tracy, they're  
10 not even on here, they are being paid by Securix Mississippi.  
11 This fundamentally is exceptionally inaccurate.

12 **BY MR. JORDAN:**

13 Q. And you're referring to the Exhibit 1 that you are  
14 holding?

15 A. Yes, sir, I am.

16 **MR. JORDAN:** Thank you, Your Honor. That's all I  
17 have.

18 **THE COURT:** You may step down.

19 Mr. Jordan, any other evidence?

20 **MR. JORDAN:** Your Honor, I don't have anything  
21 further. We rest.

22 **THE COURT:** You rest?

23 **MR. JORDAN:** We don't have anything further.

24 **THE COURT:** Any other argument?

25 **MR. JORDAN:** No, sir, unless -- you said you didn't

1 want me to finish with the waiver argument, so I just abandoned  
2 it.

3 **THE COURT:** Yes, I know what you mean.

4 Ms. Wrigley?

5 **MS. WRIGLEY:** Thank you, Judge.

6 The record reflected previously as a result of the  
7 briefing and oral argument before this Court already, but  
8 Mr. Miller's testimony further illustrates that we have a  
9 defunct entity that can't legally do business in the State of  
10 Mississippi, that while there may have been receipts at some  
11 level, there are also disbursements. He may have a personal  
12 opinion about the discrepancies and inaccuracies, but  
13 ultimately this is a report, signed by an accountant, none of  
14 -- perhaps Your Honor's background is in accounting, but nobody  
15 in here is a professional accountant. The best we can rely on  
16 is what was prepared by the actual accountant, and it shows a  
17 cash balance, as of about 60 days ago, below \$60,000. As  
18 Mr. Miller testified, that amount in the bank account as of  
19 recently is very little. So to the extent we were valuing the  
20 business based on its net profits, the business is functionally  
21 insolvent. It can't continue to legally, in defendant Miller's  
22 words, generate revenue.

23 So it is difficult for me to understand, and I would  
24 submit that defendants are therefore unable, with summary  
25 judgment style evidence, summary judgment level evidence,



1 demonstrate that this entity has a value that allows defendants  
2 to meet their burden to establish that the object of the  
3 litigation exceeds \$75,000.

4 **THE COURT:** But it is this, plus the other alleged  
5 damages.

6 **MS. WRIGLEY:** Correct. But even if you aggregated  
7 those things, if we're doing this on a cash basis and it's the  
8 amount of cash that's sitting in the bank account, then that's  
9 \$16,000. And I admit that I don't publicly do math often, but  
10 I think when you add that to the debt allegedly owed to QJR,  
11 then we're still far below the threshold.

12 To address Mr. Jordan's point about the value of an  
13 injunction, I think Mr. Jordan is conflating the ability to  
14 obtain an injunction and stop defendant Miller from engaging in  
15 the misconduct that we contend that he has engaged in, and the  
16 defamation claim, which to the extent that is a claim that can  
17 even be brought in chancery court, should we find ourselves  
18 back there, those are sort of separate and distinct. The  
19 injunction is saying, Mr. Miller, please stop violating the  
20 order that is in place, please stop engaging in this kind of  
21 conduct. It doesn't necessarily carry damages with it, unless,  
22 of course, he violates an order on the injunction, in which  
23 case those are not damages, those are sanctions and that should  
24 not be calculated as part of the amount in controversy.

25 What we have here, ultimately, is a deteriorating entity

1 for which there is no evidence of any assets. To the extent  
2 there's IP assets, that was pursuant to a licensing agreement  
3 as the defendants have testified and briefed, so it's not like  
4 Securix Mississippi owns some fancy proprietary technology. It  
5 is a deteriorating entity where the economic reality is it  
6 cannot generate revenue. If there is some argument of  
7 mismanagement of funds or diversion, those are arguments that  
8 are really not germane to the jurisdictional analysis. We're  
9 looking at the value of the entity, in addition to the other  
10 things as Your Honor pointed out. And this entity, frankly,  
11 has no value, and the parties don't seem to have a dispute on  
12 that.

13 To close one loop from earlier, I reviewed, as best I  
14 could in trying to pay attention to everything else, I don't  
15 see an attorney's fee provision in the operating agreement. So  
16 that would either be -- it would at least be non-contractual to  
17 the extent attorneys' fees would even be available.

18 Let me look at my notes to make sure I haven't left  
19 anything out.

20 I think otherwise, Your Honor has made the other points  
21 that it's QJR, not the individual members. If they have a  
22 defamation claim against Mr. Miller, then they're not asserting  
23 it here, that is something they're evaluating as whether it  
24 should be something that should be asserted in a separate cause  
25 of action, they are parties to this cause of action.

1           And unless your Honor has questions that I can answer,  
2       which I would be happy to do, then we rest on our motions to  
3       remand.

4           **THE COURT:** Mr. Jordan, do you have something else to  
5       add?

6           **MR. JORDAN:** I do, Your Honor. Based on Mr. Miller's  
7       testimony, if you just look at a few items on page 35 and 36,  
8       which is the summary of cost analysis, and you only look at  
9       what Securix, LLC has been paid on page 36, Mr. Miller's  
10      testimony of his position in the company and knowledge of  
11      receipt of money was that they received a maximum of \$60,000,  
12      plus 15,000, so a maximum of \$75,000, and no more. Here  
13      there's an accounting --

14           **THE COURT:** That Securix, LLC received that?

15           **MR. JORDAN:** That's right. And I am talking about  
16      the line item that is solely for Securix, LLC on page 36.

17           **THE COURT:** Okay.

18           **MR. JORDAN:** So that's approximately 171,000. And I  
19      don't have my phone here with me, so -- sorry. Go ahead, Your  
20      Honor.

21           **THE COURT:** I know where you are going with that, but  
22      I still have to value a business. So is there any evidence  
23      that that \$171,000 is an asset of Securix Mississippi, LLC's as  
24      of now or as of December when you removed the case?

25           **MR. JORDAN:** Well, what they are claiming as of

1 November, that this payment was made. Mr. Miller testified the  
2 payment was, in fact, not made --

3 **THE COURT:** Well, they are claiming that those  
4 payments were made sometime between November 27th of 2023  
5 through November 30th of 2024.

6 **MR. JORDAN:** Correct. And Mr. Miller specifically is  
7 saying that payment was not made, only 75 maximum has been  
8 received, leaving 171 approximately thousand dollars at issue.

9 **THE COURT:** So where is that money?

10 **MR. JORDAN:** I wish I knew where that money was.

11 **THE COURT:** If Securix Mississippi, LLC doesn't have  
12 the money, then that's not -- that's not part of the value of  
13 Securix Mississippi, LLC. That's a lawsuit, potentially,  
14 against someone, maybe. You see what I am saying? If you get  
15 there and Securix, LLC says, we are entitled to money, and  
16 we're entitled to 100 and whatever thousand dollars.  
17 Potentially, I don't know. Do you see what I am saying?

18 **MR. JORDAN:** I do. I guess I would argue that they  
19 are claiming with this cost report, or in Exhibit 1, that they  
20 had that money, and they are claiming they paid it to Securix  
21 Mississippi. And we're saying we didn't receive it, at least  
22 \$171,000 of it. Therefore, \$171,000 is at issue.

23 The same argument would be applied to the Mark Dunston  
24 cost where there's a \$10,000 discrepancy that he testified to.  
25 So that's 181,000 and only two entries that are at issue.

1           **THE COURT:** The discrepancy with Mark Dunston is, I  
2 think, the allegation that Mark Dunston should've never  
3 received any money.

4           **MR. JORDAN:** I remember him saying that he received  
5 48,000, and he is certain of that, and not 38,000.

6           **THE COURT:** So Securix, LLC paid Mark Dunston more  
7 than is on the sheet?

8           **MR. JORDAN:** They paid -- per Mr. Miller's testimony,  
9 they paid him \$10,000 more.

10          **THE COURT:** More than what this says?

11          **MR. JORDAN:** Yes, sir.

12          **THE COURT:** So that wouldn't be \$10,000 that Securix  
13 Mississippi LLC has? See what I am saying? I am trying to  
14 count up the assets of Securix Mississippi, LLC to see if it's  
15 a company worth \$75,000.

16          **MR. JORDAN:** If the company is worth \$75,000 or isn't  
17 worth \$75,000, but you can clearly show that they had the  
18 \$75,000, or 180- or 90- out of their own sort of -- their own  
19 fault, how does that not go to the cost of the business, or the  
20 accounting of the --

21          **THE COURT:** It does go to an accounting, potentially.  
22 It goes to maybe liability that could be owed to members,  
23 potentially, in a counterclaim or otherwise, but it doesn't  
24 necessarily go to the value of the business presently or at the  
25 time of removal.

1           **MR. JORDAN:** This is their accounting, and this is  
2 the value that they said they gave to Securix.

3           **THE COURT:** Right, well it's the cash that was on  
4 hand.

5           **MR. JORDAN:** Right.

6           **THE COURT:** And it's the cash that was disbursed and  
7 received over the course of a year.

8           **MR. JORDAN:** Your Honor, that's what we have. We  
9 don't have anything further.

10          **THE COURT:** Okay.

11          **MS. WRIGLEY:** Your Honor --

12          **THE COURT:** Ms. Wrigley?

13          **MS. WRIGLEY:** May I just make --

14          **THE COURT:** It is your motion, so you can close.

15          **MS. WRIGLEY:** Thank you so much, Your Honor.

16 Mr. Miller has offered his opinion, his personal belief. He  
17 has not offered any evidence that would discredit the document  
18 that an actual accountant has prepared. But ultimately, I  
19 think it's a red herring, Judge, and here is why. Mr. Miller  
20 acknowledges that the cash that this business holds is very  
21 little, he surmised \$16,000. I believe it's probably less than  
22 that, but I don't think it matters because it's not -- it's not  
23 debated how much money the entity has.

24          Now, he has opinions on where it went, whether it was some  
25 sort of fraudulent disbursement or mismanagement of funds, but

1 as you have indicated, that goes to liability. That doesn't go  
2 to the current valuation of an entity that can no longer  
3 conduct business legally in the State of Mississippi. And if  
4 we're relying on his memory in an effort to discount what  
5 accountants prepared in looking at cash in, cash out, Judge, I  
6 can't remember what I had for breakfast yesterday, let alone  
7 the amount of money that some person may have been paid over  
8 some 12-month period.

9 Ultimately, I don't think it matters. We are all in  
10 agreement that the cash on hand is very little or close to  
11 nothing. And as a result, it's hard to understand how a  
12 business that can't do business in the State of Mississippi,  
13 has no money, has a valuation that even gets us to the  
14 threshold even when we aggregate the other potential damages.  
15 That is all. Thank you, Judge.

16 **THE COURT:** Okay. I want y'all to stick around for a  
17 little bit. I am going to look at some issues. I may rule  
18 from the bench today. So we will let you know shortly if  
19 that's going to happen. And by shortly, I mean within the next  
20 15 to 20 minutes we'll let you know so you are not hanging  
21 around. I know y'all want a ruling quickly, so I may rule from  
22 the bench today. So we'll let you know in the next 15 or 20  
23 minutes if I am going to rule from the bench. And court will  
24 stand in recess until then.

25 **(RECESS TAKEN AT 5:00 P.M. UNTIL 5:31 P.M.).**

1           **THE COURT:** Before the Court is plaintiff's motion to  
2 remand. I am going to rule from the bench this evening. The  
3 parties have requested that this proceeding be expedited, and I  
4 am familiar with the case at this point in time and it would be  
5 better for me to go ahead and just rule from the bench today as  
6 opposed to putting this opinion in the queue and you all  
7 waiting a few weeks for that opinion to get drafted and out the  
8 door. So I am going to rule from the bench this evening.

9           I do find that plaintiff's motion to remand is granted.  
10 Now, why am I granting plaintiff's motion to remand? Well, a  
11 lot of it, quite frankly, comes down to the burden of proof.  
12 In this case, in this situation the defendants have the burden  
13 of proof to prove by a preponderance of the evidence that the  
14 amount in controversy has been met. I know litigants sometimes  
15 may think that's unfair, that you can win or lose an argument  
16 or even a case based off of the burden of proof, but it is a  
17 fundamental aspect of our justice system.

18           In this situation, it is just abundantly clear that the  
19 law requires that the defendants have the burden of proof to  
20 prove by a preponderance of the evidence the amount in  
21 controversy in this case exceeds \$75,000.

22           Furthermore, case law is abundantly clear that whenever  
23 there is a doubt, whenever there is a doubt in these types of  
24 situations over questions of jurisdiction, doubts should be  
25 resolved in favor of remand. That's what the law says, that's



1 what the law requires.

2 I do think this is, at times, a close call. I do think it  
3 gets to a close call at times, but doubts are resolved in favor  
4 of remand, that's what the law says.

5 And so let's first start off with how I am reaching my  
6 decision, specifically that the defendants have not met their  
7 burden of proof to demonstrate by a preponderance of the  
8 evidence the amount in controversy in this case exceeded  
9 \$75,000 at the time of removal. It's also an important point.  
10 That is the crucial date, that's what the law says, at the time  
11 of removal.

12 The first thing to look at is the value of Securix  
13 Mississippi, LLC. Now, the parties are in agreement that  
14 whenever a party, such as QJR, LLC is seeking dissolution or  
15 injunctive relief or declaratory relief and it involves the  
16 valuation of an entity, that you look at the valuation of that  
17 object, the object of the litigation. In this case, that's the  
18 valuation of entity.

19 I was doing research in advance of today's hearing, and in  
20 my view the law says that since we have two dual owners of this  
21 business, that is Securix Mississippi, LLC, and that is the  
22 entity where the plaintiff QJR, LLC is seeking to dissolve it  
23 then I am then to look at the 50 percent value that is  
24 assigned. So in other words, I look at the value of Securix  
25 Mississippi, LLC, and then I cut it in half.

1 I am going to give the parties a couple of cases, though,  
2 because I am starting to cite to some law, and I want to give  
3 the parties the benefit of some law that I have already cited  
4 to and that I am getting to.

5 So first, in *Manguno versus Prudential Property and*  
6 *Casualty Insurance Company*, that can be found at 276 F.3d 720  
7 at page 723, a Fifth Circuit opinion from 2002. The Fifth  
8 Circuit is quoted as saying, to determine whether jurisdiction  
9 is present for removal, we consider the claims in the state  
10 court petition as they existed at the time of removal.

11 Additionally, in *Gebbia versus Wal-Mart Stores,*  
12 *Incorporated*, 233 F.3d 880 at page 883, a Fifth Circuit case  
13 from 2002. It states, the jurisdictional facts that support  
14 removal must be judged at the time of the removal.

15 Additionally, a couple of cases that I found to be  
16 persuasive as to how you look at the actual ownership interest  
17 in determining the value of the object include *Niemiec versus*  
18 *Ioselev*, that's N-I-E-M-I-E-C versus I-O-S-E-L-E-V, that can be  
19 found at 1999 Westlaw 744038, a district court opinion from the  
20 United States District Court of the Eastern District of  
21 Louisiana, handed down on September 22nd of 1999.

22 Additionally, *Perlick versus Hermon*, that's P-E-R-L-I-C-K  
23 versus Hermon, that can be found at 2018 Westlaw 4355215. And  
24 that was a case from the Eastern District of Kentucky, handed  
25 down on September 12 of 2018.

1           Additionally, in *Martinez versus Pfizer*, Incorporated,  
2   it's a case handed down in the Western District of Texas in  
3   2019. It's a reported decision 288 Fed. Supp. 3d, 748 at page  
4   762. And I am quoting, that case says, the amount in  
5   controversy is determined at the time of removal.

6           The time of removal in this case was December 20th of  
7   2024. So what do we know about the value of Securix  
8   Mississippi, LLC as of December 20th, 2024? And the frank  
9   answer is, not much. I don't know much. The defendants  
10   certainly don't know much. And I understand that can be  
11   frustrating to the defendants because they believe, well, the  
12   reason they don't know much about the value is because they  
13   were trying to get more of an understanding about the value  
14   leading up to December 20th, 2024. And so they didn't know a  
15   lot about the value on December 20th of 2024. But we are now  
16   over a month from that date, and the basis of the removal, in  
17   terms of the value that was put forth in the notice of removal,  
18   it said the value of the disputed assets is estimated to be in  
19   excess of \$1 million. And what is clear to me today is that  
20   statement was really just based off of an understanding that  
21   receipts had come in the door for Securix Mississippi, LLC over  
22   the course of a one-year period in excess of \$1 million. But  
23   receipts is not value because companies also have liabilities.

24           And so again, it is the defendant's burden to prove by a  
25   preponderance of the evidence the value of Securix Mississippi,

1 LLC as of December 20th, 2024.

2 I also note that defendants did not and have not moved for  
3 or advanced arguments for jurisdictional discovery, which is a  
4 tool that is available. I understand for strategic reasons  
5 defendants may have said that does not make sense, and they  
6 felt strong enough on their briefs and strong enough under the  
7 evidence that they did not want to do that to further delay  
8 these proceedings. I understand for strategic reasons why the  
9 defendants may not have chosen to seek jurisdictional  
10 discovery, but that was a tool that was available in the  
11 toolkit, and the defendants did not seek jurisdictional  
12 discovery over the amount in controversy, did not seek  
13 depositions, did not seek written discovery.

14 And so the defendant's arguments really as to the value of  
15 Securix Mississippi, LLC kind of comes down to this, at one  
16 point in time Securix Mississippi, LLC had a lot of money  
17 coming in, so surely the value of the business as of  
18 December 20th, 2024, was over \$75,000, or at least in  
19 conjunction with the other damages that are being sought. And  
20 especially since a lot of those receipts came in earlier in  
21 2024, in the spring, in the summer, in the fall even, surely  
22 that gets the defendants there, that's kind of one bucket of  
23 the arguments that the defendants are presenting with regard to  
24 amount in controversy concerning the value of Securix  
25 Mississippi, LLC.

1 Another one is that there is potentially some wrongdoing  
2 or maybe some misappropriation that was inadvertent, or at the  
3 very least there have been bills that should've been paid or  
4 should not have been paid, and if either one occurred then the  
5 value of Securix Mississippi, LLC would be higher than it is  
6 today. But again, these arguments go to speculation to me. I  
7 cannot put a firm foundational evidentiary basis for a value of  
8 what Securix Mississippi, LLC was, at least from a  
9 preponderance of the evidence perspective. Again, that's just  
10 more likely than not, but I can't really even firmly put that  
11 basis on there as to what that value was.

12 Receipts that Securix Mississippi, LLC had earlier in the  
13 year are certainly not evidence of value as of December 20th,  
14 2024. Additionally, it is undisputed that Securix Mississippi,  
15 LLC could not legally operate in the State of Mississippi after  
16 August of 2024. And QJR, LLC has presented this accounting of  
17 cash receipts. This was plaintiff's Exhibit 1 for purposes of  
18 today's hearing. And I have reviewed this accounting. The  
19 defendants have been given an opportunity to review it, and  
20 defendants have been given an opportunity to give testimony  
21 about this.

22 I understand that defendants also requested a post reply  
23 brief to address this further, and I am denying that request  
24 for a post reply brief because that is unnecessary, in my view,  
25 in light of the defendants being given an opportunity to review

1 it, given an opportunity to present evidence and testimony, and  
2 I am not aware of what further a post reply brief would  
3 undercover. And again, defendants have not requested  
4 jurisdictional discovery.

5 So I will say that this accounting does comport with what  
6 is undisputed from the parties, and that is that revenue has  
7 fallen off a cliff since August of 2024 for Securix  
8 Mississippi, LLC. By way of example, if you look at the  
9 deposits, the total February deposits, February 24th, 2024  
10 deposits, that can be found on page 5, those deposits were over  
11 \$209,000; in March, over \$219,000; in April, over \$213,000.  
12 But then what you start seeing is those deposits and the  
13 revenue fall off a cliff for Securix Mississippi, LLC.

14 By way of example, August 24th, which is the month,  
15 allegedly, it seems like it's undisputed Securix Mississippi,  
16 LLC was somehow not allowed to legally operate in the State of  
17 Mississippi anymore, those deposits came in at \$106,341.39;  
18 then in September, \$56,968.26; then in October, \$20,081.38; and  
19 then finally, in November, \$8,207.79. That is a massive  
20 difference than where the business was earlier in the year.

21 And so even though the Securix Mississippi, LLC report  
22 that's Plaintiff's Exhibit 1 does state an ending cash balance  
23 of \$57,065.46 as of November 30th, 2024, and even though that  
24 makes sense that a company like Securix Mississippi, LLC could  
25 have accounts receivables that keep getting paid after the

1 fact, after it's shut down, I mean businesses, obviously I have  
2 seen that when businesses are dissolved or, not dissolved, but  
3 when businesses stop operating you can still have receipts  
4 coming in through accounts receivable because a city or a  
5 business that's paying Securix Mississippi, LLC may be on a  
6 30-day 60-day, 90-day cycle, it makes sense there could be  
7 receipts coming in after August. And it also makes sense that  
8 it should be falling off a cliff, which is what has happened.

9 And so we're now in November of 2024 and Securix  
10 Mississippi, LLC is really generating virtually no revenue  
11 anymore. That brings us to the date of the removal, which is  
12 December 20th of 2024. And while it seems likely, certainly,  
13 based off of the testimony of Mr. Miller, that Securix  
14 Mississippi, LLC has had some cash in the bank account since  
15 November 30th of 2024, maybe as much as \$16,000, 50 percent of  
16 \$60,000 -- of \$16,000 is not going to obviously get the  
17 defendants anywhere close to exceeding the amount in  
18 controversy. Of course, 50 percent of \$16,000 is \$8,000.

19 And the defendants have not put forward in front of me,  
20 outside of cash, outside of cash, other evidence of assets that  
21 I can determine a value of Securix Mississippi, LLC. For  
22 example, in corporate litigation, especially corporate  
23 litigation like this, often there's a heavy dispute over  
24 intellectual property and the value of intellectual property.  
25 But here, there is no allegation that Securix Mississippi, LLC

1 is the owner of any specific type of intellectual property that  
2 has a specific value on the market.

3 Additionally, there's no allegation that Securix  
4 Mississippi, LLC owns a piece of real estate free and clear or  
5 just has more value in that asset, that real estate that is  
6 over and above what is owed on that real estate. None of that  
7 exists for me to be able to make a determination, outside of  
8 some cash that likely was in the bank account on December 20th  
9 of 2024, but it's unknown to me how much that was, I can't make  
10 any type of asset valuation for me to know any more than just  
11 there was some cash in the bank account, likely, on  
12 December 20th of 2024. I can't even tell you if it's likely  
13 that it was \$16,000, I can't tell you if it was likely less,  
14 and I certainly can't tell you if it was more. I just don't  
15 know. And defendants don't know. And that makes sense.

16 While defendants have apparently had some access to bank  
17 account information, they have not had access to all  
18 information. And again, that may be frustrating to the  
19 defendants because they say, well, the plaintiff may be able to  
20 obtain what they are seeking in this case because they can hide  
21 behind the burden of proof. And I don't find that's  
22 necessarily the case, but it doesn't change the fact that the  
23 burden of proof matters. It matters in all litigation, it  
24 matters in jury trials, it matters in criminal trials, criminal  
25 jury trials, civil jury trials, and it certainly matters in



1 these types of circumstances as well.

2 But moving on down to the items that I have to kind of  
3 aggregate to determine whether there is an amount in  
4 controversy that has been met here. And I will specifically  
5 find that at best case scenario for the defendants is there's a  
6 valuation of 50 percent ownership of \$8,000, but that may not  
7 even be likely because we just don't know how much was in the  
8 bank account or really in the month of December. We don't  
9 know. I think that's probably fair, somewhere around \$8,000,  
10 if you look at the bank account had \$16,000, but that's not  
11 anywhere close to amount in controversy.

12 Then you look at the other items of damage. One of them  
13 was this alleged breach of contract for damage, which was  
14 paragraph 3 of the prayer for relief. Now, that was not a  
15 specific cause of action, but it was kind of thrown into the  
16 prayer for relief.

17 I will point out that all parties have kind of focused on  
18 the judicial dissolution. The title of the complaint says it's  
19 a complaint for judicial dissolution. The defendants, in their  
20 notice of removal, did not mention defamation, did not mention  
21 compensatory damages, did not mention punitive damages as other  
22 items of bases for the amount in controversy requirement to be  
23 met. Instead, the defendant solely focused on the value of  
24 disputed assets. And I have found that their valuation is not  
25 persuasive and not backed up by evidence.

1           So I do want to put this paragraph 3 of the complaint  
2 where it seeks this breach of contract remedy under that  
3 context because there are no specifics by and large as to what  
4 those damages, not even by and large, there are no specifics  
5 about what those damages could be in the complaint. It is not  
6 facially apparent what those damages could be or what any  
7 damages could be from the complaint. And even still, though,  
8 even if that is a viable cause of action, that you can bring a  
9 cause of action solely in the prayer for relief, which seems  
10 potentially contrary to *Twombly* and *Iqbal* in federal court  
11 jurisprudence. But even if you could do that, bring a cause of  
12 action solely in the prayer for relief, again there's no  
13 evidence of what those damages are in the complaint. And the  
14 only thing we have heard is that the plaintiff somewhat  
15 conceding that there is this potential debt out there, or there  
16 is this debt out there, that they are seeking it, and that the  
17 damages may be less than \$40,000. And the defendant's response  
18 to that is not through evidence of saying, well, we actually  
19 have evidence that that alleged debt is \$85,000 or \$120,000 or  
20 even \$25,000. Instead, the defendant's position was, well, we  
21 just think you should take that valuation of \$40,000 and use  
22 that as your starting point. But again, it is the defendant's  
23 burden to prove by a preponderance of the evidence what the  
24 amount in controversy is at the time of removal. And while it  
25 certainly seems likely that if Ms. Wrigley is willing to

1 concede that the number is somewhere less than \$40,000, that  
2 that number is probably closer to \$40,000 I still don't know  
3 what that number is. I don't know, is it \$30,000, is it  
4 \$27,000, \$24,000? Again, this gets back to the burden of proof  
5 and it's a lot of unknowns. And based off of those unknowns, I  
6 cannot add up that item of damage, plus the 50 percent value of  
7 Securix Mississippi, LLC, and get anywhere close to \$75,000 or  
8 in excess of \$75,000.

9 And then that brings us to the defamation claims. There's  
10 a defamation claim that QJR has brought against the defendants,  
11 and that defamation claim seeks compensatory damages, seeks  
12 attorneys' fees, costs and punitive damages. But that  
13 defamation claim, quite frankly, lacks specifics that allow me  
14 to really fully understand the viability of that claim, but  
15 more specifically the amount of damages that one may be  
16 entitled to.

17 Defamation claims are often very subjective, if it's  
18 purely based off of reputation, if it's purely based off of  
19 reputation. And the defendants have not put evidence in of  
20 QJR's reputation and how some of these defamation claims may  
21 actually impact QJR's reputation. In fact, I don't even know  
22 what the statements are themselves that are so allegedly  
23 defamatory. And there's no specific allegation in the  
24 complaint of a specific contract that QJR, LLC may have lost  
25 because of these alleged statements or -- and the defendants

1 are not putting forward any evidence that QJR, LLC may have  
2 lost a certain contract because of these alleged comments.  
3 Instead, we're just left with this subjective some type of  
4 reputational harm of QJR, LLC. And that's unclear to me, and  
5 that's entirely unclear to me how I can value that without  
6 knowing what the reputation of QJR, LLC is, without knowing how  
7 that really could harm QJR, LLC, without knowing what the  
8 statements are. And there's no allegations of a specific  
9 contract that was lost.

10 I understand there's some conclusory allegations in the  
11 complaint about these statements harming QJR more than just  
12 reputationally and potentially harming its business, but,  
13 again, these are conclusory allegations that do not fit into a  
14 realm for me to make a determination by a preponderance of the  
15 evidence, really, what the value of these defamation claims  
16 are.

17 I will note, though, that I did take into consideration  
18 this declaration from Josh Gregory. I did rely on it for  
19 judicial estoppel purposes. And without this declaration,  
20 plaintiff may have not succeeded today, may very well have not  
21 succeeded today. And I will find for judicial estoppel  
22 purposes that I have relied on that declaration.

23 And so what, in my view, while this may be an issue for a  
24 state court down the road, I do not believe that plaintiff can  
25 be allowed to ever seek damages over and above \$75,000 in this

1 case, period, end of story. That's what the plaintiff has  
2 stated in their declaration, in its declaration. Plaintiff has  
3 stated it is not seeking more than \$75,000 in compensatory  
4 damages and is not seeking more -- and that includes  
5 compensatory and punitive damages, and is not willing to  
6 accept, which also some cases talk about that language needs to  
7 be in a declaration, that's not enough just to say you're not  
8 seeking it, you also have to be willing to not accept it.  
9 Because some courts can award damages even if you're not  
10 seeking it. And I note from the plaintiff's declaration, they  
11 use that language, they say, not only are we not going to seek  
12 it, Josh Gregory said QJR is not -- is also not going to accept  
13 more than \$75,000 in compensatory or punitive damages. I did  
14 rely on that. And I do find that to be very important.

15 I do want to pull that up just so I have the specific  
16 language that I am relying on. Joshua Gregory states that he  
17 is the manager of QJR, LLC, that he is fully authorized to make  
18 the declaration on its behalf, he has personal knowledge of all  
19 the facts set forth in the declaration, and that the plaintiff  
20 QJR, LLC does not seek and will not accept damages exceeding  
21 \$75,000 in connection with this litigation. This limitation  
22 applies to all compensatory and punitive damages, costs and  
23 fees referenced in plaintiff's complaint. Instead, the  
24 declaration goes on to state that primary relief sought by  
25 plaintiff is equitable in nature and is injunctive relief.

1 Now, it goes on to state that the limitation does not  
2 apply, in Mr. Gregory's opinion, to sanctions or other remedies  
3 the Court may impose based on defendant Jonathan Miller's  
4 conduct, including violations of court orders. And in my  
5 research, I do -- it is my view that I believe that's accurate,  
6 that in the event some judge was to sanction for a violation of  
7 a court order, that's different than compensatory and punitive  
8 damages for amount in controversy purposes, that's a different  
9 thing.

10 Now, there would have to be a very clear line of  
11 demarcation of the behavior. It couldn't be pre-lawsuit  
12 behavior, it would have to be post-lawsuit behavior that  
13 violates a court order that would justify a sanction. But I do  
14 think that, in my view, this declaration does serve as  
15 additional significant justification for my ruling today.

16 I also want to point out that the only way I can reach  
17 this declaration is to find that the plaintiff's complaint with  
18 regard to the damages is ambiguous as to the amount in  
19 controversy, and I make that specific finding. The plaintiff's  
20 complaint is ambiguous as to the amount in controversy. It's  
21 ambiguous as to the value of Securix Mississippi, LLC. There's  
22 no valuation put in there. It's ambiguous as to that alleged  
23 breach of contract potential claim that's in paragraph number 3  
24 of the prayer for relief, it's ambiguous as to the compensatory  
25 or punitive damages that could be associated with any

1 defamation claims, and it's ambiguous as to attorneys' fees and  
2 costs. There is just -- it's just -- these are very, very  
3 subjective types of claims.

4 I further want to point out that, yes, I certainly take  
5 into consideration punitive damages for purposes of determining  
6 the amount in controversy. But there has to be a basis for the  
7 punitive damages. And the punitive damages, of course, are  
8 limited, constitutionally, in this state and by statute by --  
9 they are limited by the valuation of QJR, and they are limited  
10 by certain multiple factors of the underlying compensatory  
11 damages. And it's hard for me to put any value on the  
12 defamation that would lead to compensatory damages for the  
13 defamation. So it's hard for me to do any type of multiplier  
14 of punitive damages on top of compensatory damages when I have  
15 an underlying value of a defamation, it's very unclear to me,  
16 and the defendant has not met their burden on that.

17 Additionally, I want to address defendants' argument about  
18 injunctive relief and there could be damages related to  
19 injunctive relief. Well, I do not find that argument to be  
20 persuasive. Injunctive relief is seeking to enjoin someone  
21 from something. And there's been no specifics in the complaint  
22 or in the defendant's evidence that's been put forward in the  
23 notice of removal or today's hearing or in the brief in  
24 opposition as to what that actually would look like, what that  
25 -- what type of conduct is being enjoined and what the harm

1 would be to the defendants. It seems like the argument is,  
2 well, the plaintiff is seeking to enjoin the defendants from  
3 defaming the plaintiff in the future.

4 Well, typically, most courts don't provide prospective  
5 relief to not violate the law in the future. They provide  
6 relief for past harms, remedies. So it's hard for me to really  
7 see how this would be a claim that would be viable into the  
8 future. But even if it was, it would essentially just be a  
9 ruling to not violate the law, which doesn't really have a  
10 value. You shouldn't violate the law anyway. And, obviously,  
11 I am not giving any opinion on whether the defendants have  
12 violated the law in any way. That's not for me to decide. I  
13 am not giving an opinion on whether QJR has violated the law.  
14 That's not for me to decide today.

15 But what I am to decide is what the valuations of those  
16 things could be. And just a prospective opinion not to violate  
17 the law in the future, I have seen no evidence and no case law  
18 put forward by the defendants that would justify that that  
19 valuation would somehow exceed \$75,000, or in the aggregate,  
20 help the defendants get there in terms of the plaintiff's  
21 damages.

22 Again, I went over this a little bit in the argument  
23 portion, but often in amount in controversy cases there's some  
24 type of objective measurement to use as a starting point in  
25 damages, and that's why I was so focused on the valuation of



1 Securix Mississippi, LLC and what I could actually value at  
2 some point in time to really fundamentally have a good starting  
3 place for a value in this case. Almost all of these other  
4 types of claims are too speculative or lack the necessary  
5 evidentiary basis for me to put virtually any value on.

6 Another example is attorneys' fees and costs. Attorneys'  
7 fees, the parties seem to concede, cannot be recovered by the  
8 prevailing party in this case pursuant to any breach of the  
9 operating agreement. Instead, attorneys' fees would only be  
10 able to be recovered through some type of tort claim,  
11 intentional tort claim, like defamation or maybe through  
12 recovering punitive damages.

13 But for the same reasons that I am unable to put a value  
14 on damages for defamation, and that the defendants have not met  
15 their burden, the defendants have not met their burden to show  
16 attorneys' fees and costs that's realistically going to be able  
17 to be recovered by the plaintiff in any way, more likely than  
18 not, what these attorneys' fees, even the amount would be over  
19 the course of this litigation, what that amount would be, and  
20 how the plaintiff could actually recover attorney's fees in  
21 this case outside of proving punitive damages, potentially, or  
22 some type of intentional tort.

23 And so even though attorney's fees and costs are included,  
24 that doesn't mean that I'll all of a sudden assign a \$50,000  
25 number or a \$30,000 number to attorneys' fees and costs. There

1 has to be an evidentiary basis for that, and I do not find that  
2 that evidentiary basis has been put forward.

3 As to waiver, I find that it's unnecessary for me to reach  
4 the waiver issue because I have already been persuaded by  
5 plaintiff's lead argument, which is the amount in controversy  
6 argument, that the defendants have not met their burden of  
7 proof with regard to amount in controversy.

8 I will point out that I think that defendants had, in all  
9 likelihood, the better end of that argument on waiver. But as  
10 long as there is no amount in controversy that can be met in  
11 this case through the defendants burden, then I am required to  
12 remand this case if I find the defendants have not met their  
13 burden.

14 So for all of those reasons, I do grant plaintiff's motion  
15 to remand. An order will be entered tomorrow. Now, that order  
16 is really just going to adopt my findings and conclusions that  
17 I made today. I am not going to be entering a lengthy order  
18 that goes through my full analysis in writing. Instead, again,  
19 I find that it is more prudent for the parties to be able to  
20 get a ruling expeditiously and one out the door today.

21 Anything else from the defendants?

22 **MR. JORDAN:** That's all we have, Your Honor. Thank  
23 you.

24 **THE COURT:** Anything else from the plaintiff?

25 **MS. WRIGLEY:** No, Your Honor. Thank you.

1                   **THE COURT:** I appreciate the arguments from counsel  
2 today, I did find them to be helpful, and I hope you all have  
3 safe travels back. Court will stand adjourned.

4                   (HEARING CONCLUDED)

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2 CERTIFICATE OF COURT REPORTER  
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4 I, Sherri L. Penny, RPR, FCRR, Official Court Reporter  
5 for the United States District Court for the Southern District  
6 of Mississippi, appointed pursuant to the provisions of Title  
7 28, United States Code, Section 753, do hereby certify that the  
8 foregoing is a correct transcript of the proceedings reported  
9 by me using the stenotype reporting method in conjunction with  
10 computer-aided transcription, and that same is a true and  
11 correct transcript to the best of my ability and understanding.

12 I further certify that the transcript fees and format  
13 comply with those prescribed by the Court and the Judicial  
14 Conference of the United States.

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17 S/ Sherri L. Penny  
18 OFFICIAL COURT REPORTER  
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